



Daily Report

East Asia

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International Affairs: Kim Myong-chol Views DPRK Stand on Talks

BK2205045796 Bangkok ASIA TIMES in English
22 May 96 p 9

[Article by 'Unofficial Spokesman' of DPRK Kim Myong-Chol: "North Korea Offers U.S. Two Choices — Talk or Fight"]

[FBIS Transcribed Text] United States President Bill Clinton, during his April 16 stopover at Cheju Island joined South Korean President Kim Young-sam in proposing open agenda, four-way talks involving the US, North Korea, South Korea and China. It is more of a Japanese-style plan, ambiguous and unspecific, than a typically straight-forward American idea.

The proposal, noting that "establishment of a stable, permanent peace on the Korean peninsula is the task of the Korean people," urged North and South Korea to "take the lead in a renewed search for a permanent peace arrangement".

The purpose was described as initiating "a peace process aimed at achieving a permanent peace agreement".

What does the language mean? Does it mean the establishment of a peace agreement between North and South Korea? Or should it be interpreted as negotiating a four-way peace treaty to replace the current armistice agreement? Or is it aimed at a peace agreement between North Korea and the US?

What does the US' "cooperative role in support of this effort" mean? What is meant by "China's cooperation"? What are the real intentions of President Clinton?

The same proposal, if it had been made by Kim Young-sam independently, would have been flatly rejected on the spot by the North Koreans. However, the offer bears the signature of Clinton, who is regarded in high esteem by North Korea.

The North Koreans have every reason to mind their manners.

The wisest response is a Japanese-style one, not to dismiss the offer as unrealistic but to seek official clarification from Washington or to announce that they are considering or need some time to consider, the proposal advanced by the esteemed US president. Such a well-behaved response looks pleasing to the Americans.

Thus, in a May 7 statement, a North Korean foreign ministry spokesman said the US had failed to provide any convincing explanation, as demanded by the North Koreans, of the intentions and purposes of the proposed talks and their feasibility.

The North Koreans asked the US to provide more details so they could decide whether to join the proposed talks.

Such politeness does not mean a change in Pyongyang's position, which still calls for direct, bilateral talks with Washington on a peace treaty.

The Americans, despite their oft-reiterated objections to such direct negotiations, will end up negotiating a peace treaty with the North Koreans. It is only a matter of time before the supreme national security interests of the US prevail over the stated South Korean objections to bilateral talks.

Explaining North Korea's leverage, North Korean President Kim Chong-il cited two factors: First, the nuclear agreement and, second, the collapse of institutional systems to monitor and oversee the armistice, that is, the absence of direct communications between the Korean People's Army and the US military forces in South Korea.

The successful completion of the lightwater nuclear reactor project by the US-led Korean Energy Development Organization (KEDO) will produce full diplomatic relations and a peace treaty between the two former sworn enemies.

In the meantime, however, further progress in the light-water reactor project will inevitably involve the transportation into North Korea by air, sea and land of thousands, even tens of thousands of US and South Korean engineers and other personnel, heavy-duty and large-scale equipment and construction materials.

Large cargo ships, container ships, large cargo planes, and heavy-duty trailer vehicles will have to be used.

Such gigantic-scale transportation operations would be hampered by the Military Demarcation Line and the Demilitarized Zone (DMZ).

Once the reactor project shifts from designing of a plant to its on-site construction, it is not so much the North Koreans as the Americans and the South Koreans who will find the Military Demarcation Line and the DMZ a serious barrier to their work on the construction of a nuclear reactor.

They will increasingly favor overland transportation and direct air flights across the Military Demarcation Line, which is controlled by the Korean People's Army and US forces in South Korea.

Pyongyang is a two-hour drive from Seoul. A plane can shuttle between the two cities in less than an hour. At present, a direct air flight to Pyongyang takes two hours from Japan. An air trip to the North Korean capital can be reached by way of Beijing: Four to five hours from

Seoul or Tokyo to Beijing and two hours from Beijing to Pyongyang.

Normally, a traveler from Seoul, Tokyo and the US mainland has to stay overnight in Beijing to pick up a direct flight to the North Korean capital. A sea trip from Japan or South Korea is a 24-hour voyage.

The October 21, 1994, KEDO framework agreement obliges North Korea to keep the nuclear program frozen and stand by to watch how the light-water nuclear reactor project will be implemented on schedule. The North Koreans can threaten to defreeze their nuclear program or demand additional compensation if the project is delayed.

Common knowledge suggests that it will be mission impossible to complete the nuclear project on schedule.

It will most likely take twice the planned time.

Failure to deliver the turnkey nuclear plants will tremendously strengthen the hands of the North Koreans, the toughest negotiators Washington has ever faced.

The US and South Korea will have no option but to work against time, but yet they will not be able to complete the turnkey project on schedule.

Some policy planners in Washington and Seoul may argue that since the North Korean administration will collapse in six to seven months or in two years, there is no need to press ahead with the nuclear project in real earnest.

But how can they be so sure? The Washington Post on April 8, 1996, quoted Walter Mondale, the US ambassador to Japan, as saying: "Looking at North Korea is like looking at a black bird on a dark night." However, the Castro regime, much easier to decipher, is still firmly in power, despite repeated predictions that it would be overthrown in the wake of the Soviet Union's demise.

The North Koreans led by the late former president Kim Il-sung survived 20 years of revolutionary armed resistance to the Japanese colonialists and the three-year Korean War. The North Koreans led by Kim Chong-il have survived the loss of the socialist market. And unprecedented floods compounded their food shortage. It should be remembered, however, that a food shortage is so routine that it has been part of life throughout the history of North Korea. The food shortage is serious, but it is nothing new.

The second factor giving Pyongyang leverage is that the US military in South Korea will soon be exasperated by the lack of direct communication with the North Korean military, in a highly tense situation where heavily armed

combat troops are within striking distance of each other along the 38th Parallel.

A miscalculation or a small accident in the DMZ could quickly expand beyond control. The US military will be left with no alternative other than to seek direct talks with the North Korean forces and consent to an interim agreement on forming a North Korean-US general-level military commission.

The Korean Armistice Commission was virtually disbanded in March 1991 when a South Korean general was named as senior member. Then the nuclear stand-off arose with little room for the US military to play any role.

An American military chopper was shot down on December 17, 1994, when it violated the northern territory. Again there was nothing the US military could do. It was settled through diplomatic negotiations between Pyongyang and Washington.

Finally, in May 1995, the US military agreed to hold talks with the North Korean forces at Panmunjom. A series of working-level meetings were held with some progress made, but they were scuttled in September by the US.

However, the South Korean English-language daily Korea Times reported on March 30, 1996, that US Deputy Assistant Secretary of Defense Kurt Campbell on January 2, 1996, sent a letter to South Korean Assistant Defense Minister Major General Park Yong-ok, expressing US concern about the absence of a reliable dialogue channel with the North Korean military.

The Americans asked the South Koreans to drop their opposition to a general-level meeting between the North Korean and the US militaries. Reportedly, the South Koreans objected to the Americans' overtures.

Given the tense situation, how long can the US go on without a working channel of communication with the North Koreans?

The Washington Post reported on April 8, 1996, that, in case of renewed hostilities, "no one doubts many people, including US troops stationed along the border, would die from North Korean missiles in a matter of hours."

The outgoing US commander in Japan, General Richard Myers, was quoted in an Agence France-Presse dispatch published in the South Korean daily Hangup Ilbo on May 8, 1996, as saying that an astronomical number of people would die in a second Korean War.

North Korean President Kim Chong-il is determined that the US will realize the options ultimately are only two — talk or fight.

Kim Chong-il, the Korean People's Army and his 22 million people are so ideologically motivated that they are ready to risk what some call national suicide, as they did in the Korean War.

An Asian strategist long ago remarked: "He who is ready to risk his life can expect to survive war." And Kim Chong-il has said: "Nothing can match one who is determined to become a martyr."

Let us look back on the past direct, bilateral talks between North Korea and the US on subjects other than a peace treaty.

Regarding the nuclear issue, at first the US insisted that the North Koreans should talk with the International Atomic Energy Agency (IAEA) — but then the US found itself signing multilateral agreements with the North Koreans.

Now American and North Korean official and unofficial delegations shuttle between Pyongyang and Washington. The North Koreans and the Americans held the first round of missile talks in Berlin recently without Chinese or South Korean or Japanese participation.

The US provided US\$2 million of food assistance to North Korea, much to South Korea's dissatisfaction.

Five-day talks with North Koreans in New York recently ended successfully with the US offering US\$2 million in compensation for the North Korean efforts to recover remains of American soldiers who have been missing in action since the 1950 to 1953 Korean War.

According to Kim Chong-il, it is a foregone conclusion that the US will eventually find itself talking with North Korea about a peace treaty.

And he is highly confident that he will get what he wants.

International Affairs: APEC Trade Plan Hoped To Cool U.S.-PRC Row

*BK2005051496 Quezon City Radio Filipinas
in English 0230 GMT 20 May 96*

[FBIS Transcribed Text] Several APEC members plan to unveil draft plans for trade liberalization at a senior

officials' meeting which Philippine organizers hope will help calm US-China trade tension.

Officials of the 18-member Asia-Pacific Economic Cooperation forum said they expected draft plans on the areas such as tariff, investment, intellectual property rights and deregulation to be submitted at the four-day meeting in Cebu City starting on Wednesday [22 May]. With the huge amount of time allotted for bilateral talks during the meeting, delegates from the United States and China should be able to discuss their looming trade war over copyright piracy in China.

Officials said that the forum could have tried to help patch up the conflict if the row had erupted after APEC laid down the groundwork for dispute mediation. Dispute mediation is one of the 15 areas in APEC's trade and investment liberalization agenda.

International Affairs: Talks on Closer Mercosur, CER Link Over

*BK0605065696 Melbourne Radio Australia
in English 0500 GMT 6 May 96*

[FBIS Transcribed Text] Australia and New Zealand have begun talks to forge closer economic links with the Latin American trade bloc known as Mercosur [Southern Cone Common Market]. Trade officials from Australia, New Zealand and the four Mercosur economy — Brazil, Argentina, Paraguay, and Uruguay — have completed a week of discussions on a possible link between Mercosur and the Australia-New Zealand Trade Agreement, CER [Closer Economic Relations]. The six countries have agreed to cooperate on customs regulation and the recognition of professional and educational qualifications as well as encourage better transport link.

Trade Minister Tim Fischer says Australia already has a substantial economic presence in the Latin American mining industry, and there is good potential for expanding trade between the two regions.

Japan**Japan: Official on U.S. 'Unilateralism' in Trade Policy**

OW2205030796 Tokyo KYODO in English
0100 GMT 22 May 96

[FBIS Transcribed Text] Paris, May 22 KYODO — Japan indirectly criticized the trade policy of the United States as leaning toward unilateralism, on the first day Tuesday [21 May] of a two-day annual ministerial meeting of the Organization for Economic Cooperation and Development (OECD).

"OECD member countries should strictly avoid such approaches as invoking unilateral measures and setting numerical targets in trade matters that are in contradiction with the multilateral systems," Japan's International Trade and Industry Minister Shumpei Tsukahara said at the meeting, according to Japanese officials.

The comment was made in a session on strengthening of the multilateral trade system.

Although he refrained from naming, Tsukahara was clearly referring to such U.S. policy as insisting on a bilateral accord with Japan on semiconductor trade and threatening to slap sanctions on Japanese products in the trade dispute over photographic film, they said.

The officials quoted Tsukahara as saying the OECD member countries should take the lead in observing rules that are internationally agreed.

European countries and Canada also criticized the U.S. policy, referring to the recently strengthened economic sanctions against Cuba, the officials said.

The ministers from the 27 member countries of the Paris-based "club of rich nations," agreed on the significance of the first ministerial meeting of the Geneva-based World Trade Organization (WTO), scheduled for December in Singapore.

Japanese Foreign Minister Yukihiko Ikeda proposed to make the WTO meeting be well balanced between developed and developing countries, the officials said.

At the OECD meeting, the U.S. called for tough action, including punitive measures, against bribery by business sectors of government officials around the world.

Japan: Fishermen Urge Scrapping of U.S. Military Drill Site

OW2105134996 Tokyo KYODO in English
0720 GMT 21 May 96

[FBIS Transcribed Text] Kochi, Japan, May 21 KYODO — The fishermen's union in Kochi Prefecture, western Japan, asked Kochi Gov. Daijiro Hashimoto on Tuesday

[21 May] to urge the central government to discontinue a U.S. military drill site south of the Ashizuri promontory in the prefecture.

Hashimoto promised to make requests to authorities concerned for consideration of the matter, including possibly discontinuing the drill site, which is a favored fishing point for tuna.

Hashimoto, younger brother of Prime Minister Ryutaro Hashimoto, plans to visit Tokyo starting Thursday to hold talks with officials in charge.

The talks with senior officials of the Defense Facilities Administration Agency and the Foreign Ministry will focus on the possibility of abolition of the site and compensation for fishermen.

The 7,400-square-meter area, located some 70 kilometers south off the promontory, was designated in 1952 as a drill site for the U.S. Forces stationed in Japan under the U.S.-Japan security treaty.

Access to the area by private fishing boats has been restricted since then.

Japan: Kanagawa Residents Protest Jets From Aircraft Carrier

OW2205113096 Tokyo KYODO in English
1029 GMT 22 May 96

[FBIS Transcribed Text] YOKOHAMA, May 22 KYODO — Municipalities near the U.S. Atsugi base in Kanagawa Prefecture near Tokyo asked the government Wednesday [22 May] not to allow jets from the U.S. aircraft carrier Carl Vinson to land at the air station.

In a letter of appeal, the Kanagawa prefectural government and six municipal governments near the Atsugi base urged the government to ask the U.S. military not to land aircraft from the Carl Vinson at the base, saying the flights would cause noise and concern among residents about possible accidents, officials said.

The letter was submitted to the Foreign Ministry and the Defense Facilities Administration Agency, they said.

The 91,487-ton aircraft carrier is scheduled to make a port call at the U.S. Yokosuka Naval Base in Kanagawa Prefecture for the first time in two years.

Japan: Tokyo Governor Possibly To Visit Yokota Base 27 May

OW2205081996 Tokyo KYODO in English
0658 GMT 22 May 96

[FBIS Transcribed Text] Tokyo, May 22 KYODO — Tokyo Governor Yukio Aoshima will visit the U.S. Yokota airbase in the western suburbs of Tokyo as

early as Monday [27 May] to inspect noise problems in the area and hold talks with local government leaders, metropolitan government officials said Wednesday.

It will be the first visit by Aoshima to the air base, which straddles five cities and one town in the Tama area, and is the target of lawsuits by local residents.

Aoshima says he wants to see for himself if development in the area is hindered by the base and exchange views with the heads of the local governments over the base issue.

Aoshima will also inspect 200-hectare U.S. forces recreation facilities in Tama and Inagi cities that local governments and residents are blaming for hampering construction of roads in the area.

Aoshima said in March that he would visit the site as soon as possible to hear from local residents and governments.

Residents near the base filed a class-action suit in April demanding that the Japanese and U.S. Governments ban night flights and pay 3.3 billion yen in damages for aircraft noise.

It was the first suit to target the U.S. Government over noise caused by U.S. jet fighters operating from bases in Japan, and the fifth filed over noise at the Yokota base.

In February 1993, the Supreme Court ruled that the Japanese Government should compensate residents near the Yokota base for noise caused by U.S. fighters.

The ruling rejected the residents' demand for a ban on night flights, saying U.S. jets' activities in Japan come under the mutual security pact and are therefore outside the jurisdiction of the Japanese Government.

The Japanese and U.S. Governments agreed in November 1993 to restrict flights between 10 P.M. and 6 A.M., except in times of emergency.

Besides the latest suit, some 300 residents near the Yokota base filed a suit with the Hachioji branch of the Tokyo district court demanding at the government ban night flights from the base.

The Yokota base is the largest U.S. air base on the Japanese mainland of Honshu and home to the U.S. military command in Japan.

Japan: Ikeda Calls For Promoting South-South Cooperation

OW2105121796 Tokyo *NIHON KEIZAI SHIMBUN in Japanese* 17 May 96 Morning Edition p 10

[Remarks of Foreign Minister Yohkohiko Ikeda made at the International Exchange Conference held in Tokyo on 16 May]

[FBIS Translated Text] It has been a considerably long time since the Cold War ended. While cherishing a dream concerning how the Asian region would turn out to be, I also had concerns over the future of Asia. Asia is enjoying stability and prosperity that it has never had. However, the foundation of stability and prosperity is still insecure. To ensure a bright future for Asia, mutual cooperation has now become indispensable.

Asian economy is a system of interdependence. Asia will not prosper unless all Asian countries cooperate with each other while sharing in each other's advantages and disadvantages. Moreover, this cooperative system must be made open to countries not only within the region but also outside the region.

Asian economy is now developing in a manner where various countries try to keep pace with one another. However, such a development has given hope to the Asian nations and the whole world as well. It is important for us to also think about the so-called "South-South cooperation" by providing cooperation to Central and South American and African nations by taking advantage of our own experiences.

Political stability is essential for economic development. A clear-cut framework for security has not necessarily been set up in Asia. Therefore, while maintaining the framework of bilateral security, we should also work out a regional scheme of confidence-building such as the ASEAN forum.

Furthermore, it is necessary to clarify the scheme of confidence-building in Northeast Asia. Among the urgent tasks are the China-Taiwan relationship and the situation on the Korean peninsula.

It will be necessary to carry on continuous dialogues with China. The same rule can be applied to the situation on the Korean peninsula. We are greatly concerned with the quadrilateral talks — how they should be conducted so that stability can be secured as a result. It goes without saying that Japan will have to play its corresponding role in promoting stability.

Japan: Hashimoto Asks Belize To Back UNSC Nonpermanent Seat Bid

OW2205082096 Tokyo KYODO in English
0716 GMT 22 May 96

[FBIS Transcribed Text] Tokyo, May 22 KYODO — Prime Minister Ryutaro Hashimoto asked Belize Prime Minister Manuel Esquivel on Wednesday [22 May] to support Japan's candidacy in this fall's U.N. Security Council nonpermanent membership race, a foreign ministry official said.

In a 20-minute meeting at Hashimoto's official residence, Esquivel said he will consider the issue seriously, the official said.

Esquivel, the first Belize premier to visit Japan since the nation became independent in 1981, said he would like to see more Japanese tourists visit the Central American country, saying only 400 of 120,000 tourists are Japanese.

Hashimoto promised Esquivel to convey the request to the transport ministry.

Esquivel came to Japan on Tuesday on a three-day official visit en route from Taipei, where he attended the inauguration ceremony of Taiwan president Li Teng-hui.

Japan: Foreign Ministry Announces Belize Premier To Visit

OW2005120396 Tokyo KYODO in English
1028 GMT 20 May 96

[FBIS Transcribed Text] Tokyo, May 20 KYODO — Belize's Prime Minister Manuel Esquivel will arrive in Japan on Tuesday [21 May] for a three-day official visit, the Foreign Ministry announced Monday.

During his stay, Esquivel, the first-ever premier to visit Japan from the Central American nation, is scheduled to meet Prime Minister Ryutaro Hashimoto and Japanese business leaders, the ministry said.

He first served as premier from 1984 to 1989 and took the post again in July 1993 after a general election victory.

Japan: Hashimoto Worried Over Arrests of NLD Members in Burma

OW2205034396 Tokyo KYODO in English
0326 GMT 22 May 96

[FBIS Transcribed Text] Tokyo, May 22 KYODO — Prime Minister Ryutaro Hashimoto expressed concern Wednesday [22 May] over the Myanmar [Burma] junta's arrest of members of the National League for

Democracy (NLD) as "going against the democratization process."

"Apparently all of those who have replied they would attend a meeting to be held at (NLD leader) Aung San Suu Kyi's home were arrested. I am closely following developments," Hashimoto told reporters.

Chief Cabinet Secretary Seiroku Kajiyama, the government spokesman, told a press conference, "the government strongly hopes that the Myanmar Government will strive for democratization while holding dialogue with officials from the NLD."

At least 71 NLD members were reportedly arrested Tuesday, apparently to stop them attending a planned meeting of the party in Yangon [Rangoon] starting Sunday.

Suu Kyi's NLD won more than 80 percent of the seats in the 1990 general election but the ruling military junta refused to hand over power.

Japan: Ministry Spokesman Urges DPRK To Accept 4-Way Peace Talks

OW2105113096 Tokyo KYODO in English
1106 GMT 21 May 96

[FBIS Transcribed Text] Tokyo, May 21 KYODO — Japan again called on North Korea on Tuesday [21 May] to accept a proposal for four-way talks to secure a permanent peace on the Korean peninsula.

"We hope North Korea will accept the four-party proposal to achieve a lasting peace there," Foreign Ministry spokesman Hiroshi Hashimoto said during a news conference.

He made the comment in reference to North Korean troops last week again intruding into the demilitarized zone separating the two Koreas.

The intrusion came a month after U.S. and South Korean leaders proposed that they meet with North Korea and China to discuss peace on the divided Korean peninsula.

North Korean troops also entered the demilitarized zone in early April, after the North declared it would no longer follow its obligations of the armistice agreement that ended the 1950-53 Korean war, calling the truce accord out of date.

Japan: DPRK Mission Expected To Arrive About 27 May

OW2105125396 Tokyo KYODO in English
1236 GMT 21 May 96

[FBIS Transcribed Text] Tokyo, May 21 KYODO — A North Korean delegation invited by the ruling coalition

partner Social Democratic Party (SDP) is likely to visit Japan around next Monday [27 May], a government source said Tuesday.

On the issue of extending additional rice aid to North Korea, which the mission may request from Japan during the visit, the government source said it would be difficult for Tokyo to provide such assistance on its own.

The source said that any such extension of aid by Japan would be conditional on the realization of a proposed four-way meeting of North and South Korea, China and the United States to promote peace on the Korean Peninsula and the normalization of Tokyo-Pyongyang relations.

Prime Minister Ryutaro Hashimoto, head of the Liberal Democratic Party (LDP) or the largest coalition partner, has acknowledged that the delegation from Pyongyang's Workers Party of Korea is visiting at the invitation of the SDP, the source said.

Officials from the LDP and another coalition partner, New Party Sakigake, said Monday the two parties oppose meeting the North Korean delegation unless Pyongyang agrees to the proposed quadrilateral peace talks.

The SDP hopes the mission will pave the way for a resumption of normalization talks between Japan and North Korea.

The two countries began normalization talks in early 1971, but the dialogue broke down in late 1992 when North Korea rejected Japan's demand for information about a Japanese woman allegedly abducted by North Korean agents.

Japan, which held the Korean peninsula under colonial rule from 1910 to 1945, normalized ties with South Korea in 1965, but has no official ties with the North.

Japan: Hashimoto Not To Meet DPRK Delegation

OW2205064696 Tokyo KYODO in English
0605 GMT 22 May 96

[FBIS Transcribed Text] Tokyo, May 22 KYODO — Prime Minister Ryutaro Hashimoto said Wednesday [22 May] he has no plans to meet a North Korean delegation invited to Japan by the Social Democratic Party (SDP).

Hashimoto said that neither he or the other top members of the Liberal Democratic Party (LDP) have plans to meet with the mission from Pyongyang's Workers Party. The LDP is the largest force in the ruling triumvirate along with the SDP and New Party Sakigake.

On Tuesday evening, Hashimoto met with the secretaries general of the three coalition partners to discuss a

four-way peace proposal concerning the Korean peninsula advanced by South Korea and the United States.

Hashimoto said the leaders agreed on the importance of holding the talks between North and South Korea, along with the United States and China, as a way to ease tensions on the peninsula.

LDP and Sakigake sources said earlier the two parties will not meet with officials from the North until Pyongyang agrees to the quadrilateral peace talks.

The North Korean mission will be led by Yi Chong-hyok, an aide to Kim Yong-sun, secretary of the North Korean party and vice chairman of the party's Asia-Pacific Commission. It is likely to arrive in Tokyo on Monday, a government source said.

Japan: SDP Official: DPRK To Accept Four-Way Talks by 10 Jun

OW2205054896 Tokyo TOKYO SHIMBUN
in Japanese 22 May 96 Morning Edition p 3

[FBIS Translated Text] On the evening of 21 May, a senior Social Democratic Party [SDP] official discussed the visit to Japan of a Workers' Party of Korea delegation from the DPRK (North Korea) at the SDP's invitation.

He said: "I have reliable [kakujitsu na] information that North Korea will accept the four-way talks (among the United States, China, the ROK, and the DPRK) around 10 June." However, he did not disclose his source of information.

Japan: Oil Industry Welcomes Renewal of Iraqi Exports

OW2105130296 Tokyo KYODO in English
1155 GMT 21 May 96

[FBIS Transcribed Text] Tokyo, May 21 KYODO — The Japanese oil industry Tuesday [21 May] welcomed reports Monday that Iraq has accepted a UN offer to resume oil exports to buy food and medicine for its people.

Oil distributors said the reported decision by the Middle Eastern country will help bring down crude oil prices by increasing supplies.

The Petroleum Association of Japan, however, ruled out a sharp fall in oil prices in view of strong demand in Asia and other regions.

Prices of the benchmark West Texas Intermediate (WTI) spiraled above 25.00 dollars per barrel in mid-April, reflecting lower inventories in the United States and European countries.

Prices stabilized later, with Middle Eastern oil falling to 16.00-17.00 dollars per barrel.

Some oil traders said Iraq's return to the world oil market will not cause a big impact, noting that prices of Dubai Oil gained in reaction to the reports of a deal between Iraq and the United Nations.

Industry sources said attention now is focused on a general meeting of the Organization of Petroleum Exporting Countries in early June, at which production quotas for member countries will be discussed.

They predicted that WTI prices will hover around 18.00 to 19.00 dollars per barrel, while Dubai oil will remain in the 15.00-17.00 dollar range.

Japan: Laos Vows Efforts To Accept More Investment

OW2005125696 Tokyo KYODO in English
0944 GMT 20 May 96

[FBIS Transcribed Text] Tokyo, May 20 KYODO — Laotian Foreign Minister Somsavat Lengsavat vowed further efforts Monday [20 May] to boost Japanese investments in his country, Japanese officials said.

In a meeting with parliamentary Vice Foreign Minister Hajime Ogawa, Somsavat also thanked Japan for its economic assistance to Laos and expressed hope that Japan would remain the largest donor to the country.

The Laotian foreign minister, who arrived in Japan on Saturday for a five-day unofficial visit, said Laos attaches great importance to its expected entry into the Association of Southeast Asian Nations (ASEAN).

Japan was the largest donor to Laos in 1994 with the provision of 60.71 million dollars in official development assistance. Direct Japanese business investments in the country amounted to 3 million dollars by the end of March this year.

Japan: Hashimoto Urged To Take More Action on Northern Isles

OW2105132896 Tokyo KYODO in English
0734 GMT 21 May 96

[FBIS Transcribed Text] Tokyo, May 21 KYODO — Hokkaido Gov. Tatsuya Hori urged Prime Minister Ryutaro Hashimoto on Tuesday [21 May] to take more action toward solving the long-standing territorial dispute with Russia over four islands off Hokkaido, Japan's northernmost main island.

Hori visited Hashimoto at his official residence in Tokyo and handed him a letter requesting action toward the return of the Russian-held islands to Japan.

Hashimoto pledged efforts toward "full normalization" of bilateral ties, which have long been hampered by the dispute, adding however that the situation is "very difficult."

Hori also asked Hashimoto to visit Nemuro, Hokkaido, the center for civil movements for regaining the islands, called the "northern territories" in Japan, stressing that 1996 is the 40th anniversary of the reestablishment of diplomatic relations between the two countries.

Hashimoto, however, voiced skepticism over such a visit, citing a full Diet schedule.

Japan: Hokkaido Governor on Return of Northern Territories

LD2105160296 Moscow ITAR-TASS in English
0957 GMT 21 May 96

[By Vasily Golovnin]

[FBIS Transcribed Text] TOKYO, May 21 (Itar-Tass) — Tatsuya Hori, the governor of Hokkaido, Japan's Northernmost prefecture, on Tuesday made a call to the Japanese government to step up a campaign for the return of "Northern territories", which is how the South Kuriles are described in Japan. He visited Japanese Prime Minister Ryutaro Hashimoto in Tokyo and handed over to him a written request.

The Japanese Prime Minister promised to "exert efforts for full normalisation of relations between Japan and Russia", proceeding from the results of his meeting with Russian President Boris Yeltsin in Moscow in April. At the same time, he noted that in the present situation it is not easy to step up the campaign for the "Northern territories" return.

Tokyo has earlier intimated more than once that it is not going at present to press the matter of the South Kuriles, specifically in view of the complicated political situation in Russia and a negative attitude of the Russian public to the transfer of these islands to Japan.

Still the governor of Hokkaido urged the government to be more decisive in pressing Moscow to return the disputed territories. He invited the Prime Minister to visit the city of Nemuro in Hokkaido prefecture from which one can see the South Kuriles with a naked eye.

Japan: Delegation Returns From Inauguration in Taiwan

OW2105134896 Tokyo KYODO in English
1307 GMT 21 May 96

[FBIS Transcribed Text] Tokyo, May 21 KYODO — A group of Japanese legislators Tuesday [21 May] returned from Taiwan where they attended Monday's

inauguration of President Li Teng-hui as Taiwan's first popularly elected president.

Before leaving from Chiang Kai-shek International Airport, the six-member delegation, led by former lower house speaker Hajime Tamura, held talks with Ma Chi-chuang, a senior adviser to the president and head of the Association for East Asian Relations, who urged closer political ties between Japan and Taiwan.

"Japan is the most important country (in Asia). We wish to promote international cooperation through (realizing President Li's visit) to Japan in either private or official capacity," Ma was quoted as telling the Japanese group.

Tokyo recognizes Beijing as the sole legitimate Chinese government, while maintaining informal cultural and economic ties with Taiwan.

The Taipei rulers say that the island deserves a higher political profile in recognition of its peaceful transition over the last decade from autocratic one-party rule to a multiparty democracy.

Japan: Hashimoto Says No Extension of Current Diet Session

OW2105152996 Tokyo KYODO in English
1500 GMT 21 May 96

[FBIS Transcribed Text] Tokyo, May 21 KYODO — Prime Minister Ryutaro Hashimoto pledged Tuesday [21 May] not to call a snap election during the current Diet session that ends June 19 and not to conduct a cabinet reshuffle following the current Diet session.

Hashimoto made the pledge when he met with three ruling coalition leaders, Koichi Kato, secretary general of Hashimoto's own Liberal Democratic Party (LDP), Kanju Sato, secretary general of the Social Democratic Party, and New Party Sakigake representative Yukio Hatoyama, coalition officials said.

Hashimoto and the coalition leaders also agreed to seek Diet passage of a set of six finance-related bills, including one involving the use of 685 billion yen in tax money for the liquidation of seven moribund mortgage firms or "jusen," without extending the current Diet session, they said.

It remains open to question whether these bills will pass through the Diet because debate over them has been stalled by a dispute over the demand by the main opposition Shinshinto (New Frontier Party) for sworn testimony by Kato over his alleged taking of a 10 million yen donation from one of the major jusen borrowers.

At the quad meeting, Hashimoto and Kato took a dim view of receiving a mission from North Korea's

Communist Party, the Workers' Party of Korea, as proposed by the SDP, the coalition officials said.

"We must pay due attention to the North-South problem and the proposed four-way talks (among China, North and South Korea and the United States on peace in the Korean peninsula). It would irritate South Korea if we meet (the North Korean mission) when there is little prospect for the four-way talks," Hashimoto was quoted as saying.

Hatoyama said Sakigake will consider meeting the North Korean mission if formally requested to do so, the officials said.

The SDP plans to invite the North Korean mission next week so as to pave the way for resumption of normalization talks between the two countries.

Japan and North Korea began talks in early 1991 on normalizing their relations, but the dialogue broke down in late 1992 when North Korea rejected Japan's demand for information about a Japanese woman allegedly abducted by North Korean agents.

Japan: EPA Head: OECD, Government View on Economy 'Consistent'

OW2105031796 Tokyo KYODO in English
0219 GMT 21 May 96

[FBIS Transcribed Text] Tokyo, May 21 KYODO — An outlook made by the Organization for Economic Cooperation and Development (OECD) on Japan's economy is basically consistent with a forecast by the Japanese Government, the head of the Economic Planning Agency (EPA) said Tuesday [21 May].

"A direct comparison between growth figures released by the OECD and the Japanese Government is difficult. But the basic undertone of the two views is the same," EPA Director General Shusei Tanaka told a news conference.

The OECD released Monday a revised outlook for economic growth in the 27 member economies in calendar 1996, putting Japan's real economic growth at 2.2 percent, up 0.2 percentage point above an estimate made in December.

The new figure compares with the 2.5 percent growth for fiscal 1996 forecast by the Japanese Government.

Japan: BOJ Says Economy Recovering at 'Moderate Pace'

OW2105120496 Tokyo KYODO in English
1058 GMT 21 May 96

[FBIS Transcribed Text] Tokyo, May 21 KYODO — Japan's economy is recovering at a moderate pace, sup-

ported by improving business and consumer confidence due to stimulative monetary and fiscal policies as well as the yen's recent depreciation, the Bank of Japan (BOJ) said Tuesday [21 May] in a report.

However, "the moderate pace of recovery is unlikely to accelerate immediately, as there remains pressure from corporate structural adjustment efforts," a BOJ official said.

An upturn in final demand, based on a continued increase in public and housing investment, also contributed to the central bank's assessment of economic pickup, the BOJ report said.

Housing starts are maintaining relatively high levels, due to low interest rates, it said.

Corporate capital spending and personal consumption are improving steadily, thanks in part to growth in sales of household appliances, especially those of personal computers and cellular phones, leading to an upturn in final demand, it added.

Regarding prices, the pace of decline has slowed because of the weak yen and the pickup in domestic demand, it said.

Meanwhile, labor market conditions remain stagnant, with improvements in market indicators remaining slack, it said.

Japan: Finance Minister Kubo 'Positive' on Revising BOJ Law

*OW2205103696 Tokyo KYODO in English
0941 GMT 22 May 96*

[FBIS Transcribed Text] Tokyo, May 22 KYODO — Finance Minister Wataru Kubo showed a positive stance Wednesday [22 May] on a proposed idea of revising the Bank of Japan (BOJ) law to increase the central bank's independence.

"It is necessary to closely consider the relationship between the government and the BOJ at a time when Japan is discussing its new financial administration," Kubo said at a news conference.

He said it is important for a central bank to have independent authority in setting monetary policies, and this is clearly shown in cases in other countries.

The BOJ law, drawn up in 1942 during World War II, provides a wide range of authority to the Finance Ministry, and critics say the Bank of Japan is less independent than its U.S. and European counterparts.

In contrast with Kubo's remarks, the ministry's top administrative official has expressed a negative view on the revision of the BOJ law.

Vice Finance Minister Tadashi Ogawa has repeatedly said, "There is no trouble with the current BOJ law."

Kubo, meanwhile, urged the central bank to first promote efforts under the current law to make the process of its policy decisions more transparent.

Without revising the BOJ law, the central bank can make public the record of debate in its Policy Board.

Unlike the Federal Open Market Committee of the U.S. federal Reserve, which discloses details of discussions six weeks after its meeting, the Policy Board, the BOJ's policy-setting body, does not make public the contents of its debate.

Japan: Kubo Denies Additional 'Jusen' Burdens for Taxpayers

*OW2205113196 Tokyo KYODO in English
1033 GMT 22 May 96*

[FBIS Transcribed Text] Tokyo, May 22 KYODO — Finance Minister Wataru Kubo on Wednesday [22 May] tried to deflate public anger over a government-funded scheme to liquidate seven failed "jusen" housing loan companies, saying it will not lead to additional burdens for taxpayers.

Under the scheme, 685 billion yen will come from the national coffers to help cover losses stemming from the liquidation of the housing loan companies, Kubo said during a news conference.

But that does not mean the government will collect new taxes, Kubo said, adding that the 685 billion yen will be covered by part of the 12 trillion yen in deficit-financing bonds issued under the fiscal 1996 budget.

In the course of redeeming the bonds, the government will seek new contributions from jusen founder banks so that taxpayers do not shoulder the entire burden of the liquidation scheme, he said.

Kubo said the government wants to reach an agreement with founder banks on their new contributions to the scheme by June 19, when the current Diet session ends.

Kubo said the government is currently considering various measures to seek additional burdens from the founder banks, but he declined to go into specifics.

Japan: DA May Buy Images From U.S. Commercial Satellites

*OW2105135796 Tokyo NIHON KEIZAI SHIMBUN
in Japanese 19 May 96 Morning Edition p 2*

[FBIS Translated Text] In an effort to precisely grasp the military situation in neighboring regions, the Defense Agency [DA] is considering contracts with American companies possessing commercial satellites which

can produce more precise images than earth observation satellites, such as Landsat, can. At present, the agency obtains images from Landsat. This is one of the preparatory steps toward the DA's goal of possessing Japanese-owned reconnaissance satellites sometime after the year 2001. The agency will examine the idea of operating Japanese-owned satellites, as well as the questions of expense and effect, by using commercial satellites that can transmit images which are as precise as those from military satellites.

The American firm Lockheed Martin and Mitsubishi Corporation have established the Space Imaging Corporation to provide satellite images for commercial use, and Hitachi Ltd. has invested funds in another American firm, EarthWatch Ltd. The DA is considering concluding contracts independently with those two American firms for satellite picture transmission services starting in a few years.

The DA is currently obtaining images from two commercial satellites, including Landsat, which can distinguish objects as small as 10 square meters. Compared to this, the two American companies seek to sell high-resolution images similar to those taken by military satellites. That is, they can show objects as small as 0.8 square meters. With those pictures, the DA will be able to grasp maneuvers of Chinese and DPRK (North Korean) troops more accurately than it presently can, even without the information provided by the U.S. forces.

However, there is a fear that, during conflicts and other occasions when information is urgently needed, the U.S. Government would restrain U.S. commercial satellite companies from selling image data to foreign countries for security reasons. In addition, there are more problems. For example, the satellites' orbits and their system for transmitting data to the ground would prevent the DA from quickly obtaining necessary data even in peacetime.

Japan: Diet Approves Defense Intelligence Headquarters

OW2205031396 Tokyo KYODO in English
0202 GMT 22 May 96

[FBIS Transcribed Text] Tokyo, May 22 KYODO — A House of Councillors plenary session Wednesday [22 May] approved a bill to establish a new intelligence department at the Joint Staff Council to strengthen military intelligence gathering.

Following the bill's enactment, the defense intelligence headquarters will be inaugurated in January next year with some 1,600 staff, the Defense Agency said.

The headquarters will gather and analyze military information, mainly electronic information collected at six communications sites.

The headquarters will unify intelligence departments at the agency's Defense Policy Bureau, the staff offices of the Ground Self-Defense Force, the Maritime Self-Defense Force and the Air Self-Defense Force and the Joint Staff Council.

Japan: DA Firms on Use of MSDF Ships To Evacuate Nationals

OW2105140096 Naha OKINAWA TIMES in Japanese
20 May 96 Morning Edition p 1

[FBIS Translated Text] As of 19 May, the Defense Agency [DA] firmed up its plan to employ Maritime Self Defense Force [MSDF] vessels to evacuate Japanese nationals abroad and transport refugees. The DA has begun work on revising the Self Defense Forces [SDF] Law to bring it in line with the plan, the study of which Prime Minister Ryutaro Hashimoto has requested as a countermeasure in preparation for contingencies in the vicinity of Japan. An amendment to the SDF Law is to be submitted to an extraordinary Diet session this coming fall.

Currently, the DA is building two large 8,900-ton transport vessels each equipped with medical facilities and capable of accommodating 1,000 passengers. The DA is expected to study plans to primarily use these two transport vessels for its evacuation and transport operations.

However, unlike the government aircraft (a Jumbo jet) or the Air Self Defense Force's transport aircraft, the MSDF transport vessels are equipped with 20-millimeter machine guns and other weapons. Consequently, the possibility remains of controversy arising in connection with the potential use of these weapons.

Following the Gulf war, the DA conducted studies on the issue of evacuating Japanese nationals abroad. At the time, the DA limited the evacuation process to using government aircraft because "the operations would have to be carried out swiftly and accurately" (according to a senior DA official).

However, since, among other reasons, "it would be more advantageous to use naval vessels for mass transportation" (according to a DA source) and the transport vessels have a ramp at the bow or stern so that evacuating operations can be conducted from beaches in case harbors are destroyed, the DA has decided to hasten work on changing the existing law to enable it to use the MSDF vessels.

Concurrently, in connection with issue of employing SDF transport aircraft or vessels for mass transportation of refugees, the DA is also studying the possibility of changing the law that currently "approves the boarding of refugees only when space is available" (according to a government source) to enable it to freely transport foreign nationals, including refugees.

In a domestic situation, when there was a big volcanic eruption in Izu Oshima in November 1986, MSDF transport vessels were deployed to help evacuate the islanders to the mainland. Currently the MSDF possesses three 1,500-ton and three 2,000-ton transport vessels, among others.

Japan: MITI To Start Electronic Commerce Test in Kansai Region

OW2205113296 Tokyo KYODO in English
1902 GMT 22 May 96

[FBIS Transcribed Text] OSAKA, May 22 KYODO — A regional bureau of the Ministry of International Trade and Industry (MITI) will start an electronic commerce experiment in the Osaka region in October, ministry officials said Wednesday [22 May].

The project is part of the ministry's efforts to promote transactions using the Internet computer network, and will be carried out by a consortium of commercial banks and companies including Osaka Gas Co. and Kansai Electric Power Co.

The consortium, to be tentatively called "Cyber Commerce City Consortium," will experiment with home shopping on the Internet. Some 400 merchants from Kyoto and Kobe will open virtual shops on the worldwide network.

Around 100,000 users are expected to take part in the project, scheduled to continue until March 1998, the officials said.

Japan: University Claims Fastest Superparallel Computer

OW2105132996 Tokyo KYODO in English
0907 GMT 21 May 96

[FBIS Transcribed Text] Tsukuba, Japan, May 21 KYODO — Tsukuba University's computing and physics research center has developed what it claims to be the world's fastest superparallel computer, university officials said Tuesday [21 May].

The CP-PACS [expansion unknown] makes use of about 1,000 high-performance microprocessors and can perform 300 billion calculations per second, making it possible to simulate physical phenomena which cannot

be reproduced in experiments — such as the birth of universe, they said.

They said the computer will be capable of performing 600 billion calculations per second with the addition of another some 1,000 processors this fall.

Parallel computers apply simultaneous processing by a number of different "parallel" processors to a single problem, making it possible to reduce computing time.

Japan: Special Panel To Study Ways To Liquidate Railroad Debt

OW2205105196 Tokyo KYODO in English
1851 GMT 22 May 96

[FBIS Transcribed Text] Tokyo, May 22 KYODO — The government and ruling coalition plan to establish a top-level forum by the end of this year to study ways to liquidate a prohibitive amount of debts left by the now-defunct Japanese National Railways (JNR), government sources said Wednesday [22 May].

The sources said the new panel will be composed of cabinet ministers, including the finance and transport ministers, and senior officials of the tripartite ruling coalition.

The three ruling parties are the Liberal Democratic Party (LDP), the main governing partner headed by Prime Minister Ryutaro Hashimoto, the Social Democratic Party and New Party Sakigake.

The panel will formulate a final liquidation plan by next March 31 on the basis of a blueprint to be prepared by the finance and transport ministries, they said.

JNR was split into seven private railway companies in 1987, leaving the task of liquidating its assets and long-term liabilities, worth about 27.6 trillion yen, to JNR Settlement Corp.

The liquidation has made little headway due to a slump of the real estate market resulting from the burst of Japan's asset-inflated bubble economy in the late 1980s.

The sources said liabilities worth about 20 trillion yen will be left behind even after the corporation completes sales of its entire assets, causing taxpayers to carry the burden.

They said the liquidation will be made through issuance of deficit-covering bonds and tax hikes.

The exact amount of liabilities to be left unsettled will be known around this summer when the Finance Ministry prepares an outline of the fiscal 1997 budget, the sources said.

**Japan: Chinese Captain Suspected of Helping
Illegal Immigrants**

OW2105133196 Tokyo KYODO in English
0656 GMT 21 May 96

[FBIS Transcribed Text] Yamagata, Japan, May 21
KYODO —

Maritime safety authorities arrested the Chinese captain of a freighter Tuesday [21 May] on suspicion of helping 18 Chinese men enter Japan illegally earlier this month.

Zheng Xinghua, 34, captain of the Belize-registered freighter On Shore, is suspected of taking the men on board at the Chinese port of Dalian and entering Japan's northern port of Sakata in Yamagata Prefecture on May 8, Maritime Safety Agency officials said.

During an inspection of the ship the same day, maritime safety authorities discovered that the 18 Chinese did not possess passports or other proper identification, and arrested them on suspicion of violating Japan's Immigration Control Law, the officials said.

A Chinese crewman of the 1,559-ton vessel was also arrested later on suspicion of helping the illegal entry of the 18 men into Japan, the officials said.

**Japan: Toyota Plan To Set Up Engine Joint
Venture in PRC**

OW2205113496 Tokyo KYODO in English
1055 GMT 22 May 96

[FBIS Transcribed Text] NAGOYA, May 22 KYODO — Toyota Motor Corp. announced a plan Wednesday [22 May] to manufacture engines in Tianjin, China, in a tie-up with a local concern.

Toyota said it has received final approval from the Chinese government to set up an equally owned company with Tianjin Automobile Industrial (Group) Co.

It is the first time for Toyota, the biggest automaker in Japan, to assemble a core auto component in China, in a move that is expected to accelerate the company's drive for Chinese operations, analysts say.

The new company, called Tianjin Toyota Motor Engine Co., will build a factory that will have capacity for 150,000 newly developed 1.3-liter gasoline engines a year. The engines will be installed in the Charade passenger cars manufactured by the Chinese partner, Toyota said.

Toyota President Hiroshi Okuda will visit China shortly to attend the June 1 opening ceremony of the new company, which is capitalized at 248 million dollars, Toyota said.

The new factory will begin operating in early 1998 with a workforce of 1,600, the company said.

Toyota also announced it has established a joint company with Tianjin Automobile to manufacture constant velocity universal joints for use in the Charade cars.

Most Charades made by Toyota in China will be sold locally, but some will shipped to neighboring Asian countries, Toyota said.

North Korea

**DPRK: Japanese Journalist Says Kim Suffering
From Depression**

OW2205105096 Hong Kong AFP in English
1021 GMT 22 May 96

[FBIS Transcribed Text] Seoul, May 22 (AFP) — North Korea's reclusive leader Kim Chong-il's health is "very good" despite sometimes finding himself at a loss for words and suffering bouts of depression, a senior Japanese journalist said Wednesday [22 May].

"One person who met Kim Chong-il recently said his health is very good. But Chinese sources disclosed that he often loses his words when he meets with people," Toshimitsu Shigemura of the MAINICHI SHIMBUN said.

Shigemura added that a separate source, whom he did not identify, had told him that the 54-year-old heir of North Korean leader Kim Il-song was also suffering from "manic depressive psychosis."

"But these sources' opinion and judgement is the same. Kim Chong-il will not die in the near future. He has recovered and is healthy," said the journalist, an expert on Korean affairs in MAINICHI's editorial department.

Speculation about the junior Kim's health was rife when he took over the isolated communist country on the death of his father in July 1994, with some unconfirmed reports saying he had suffered a stroke.

The speculation was fuelled further when Kim Chong-il shunned foreign visitors and failed to officially take over the posts of president of the country and party general secretary, both held by Kim Il-song.

But Shigemura, quoting unnamed North Korean diplomats he said he had met in Pyongyang during a visit in January, said the junior Kim wanted to "rule his country like the late Mao Zedong of China."

"So North Korean officials are now discussing two choices," one to select an older man as president and the other to abolish the presidential system altogether," he said.

DPRK: NODONG SINMUN Questions Frequency of U.S.-Japan Exercises*SK2105064896 Pyongyang KCNA in English
0409 GMT 21 May 96*

["Why Do the U.S. and Japan Stage Joint Military Exercises Frequently" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 21 (KCNA) — The United States is intending to realize its wild ambition for aggression on Asia without much effort by using the Japanese Armed Forces as a shock brigade, and Japan is trying to set out on overseas expansion by taking advantage of the U.S. strategy. From the viewpoint of this aim and interests the United States and Japan are jointly intensifying war preparations.

NODONG SINMUN says this in a signed article today.

The joint military exercises of the United States and Japan are being staged more frequently than ever before, the daily says, and continues:

The U.S.-Japan joint military exercise is a product of the U.S. Asia strategy. The recent U.S.-Japan joint military rehearsal is fraught with great danger in its scale, offensive character and criminal aim.

The joint military exercises have been staged almost one or two times every month for the use of nuclear weapons. They are aimed to attack other countries with nuclear weapons in case of "contingency".

The overseas operation capacity of the Japanese Armed Forces has been intensified through the joint military exercises.

The exercises are linked with an actual exercise within the framework of the tripartite military alliance. The United States, Japan and South Korea are showing signals to intensify military tieup with the approach of the joint military exercise "Rimpac 96" to be held for one month from May 22.

The biggest danger of the U.S.-Japan joint military exercises is being turned toward the Korean peninsula.

The United States is willing to ignite a new war on the Korean peninsula and expand its flames to other regions, and Japan is going to open in the Korean peninsula a broad venue of its reinvasion of Asia.

The situation in and around the peninsula is becoming more tense owing to the war manoeuvres of the United States and Japan, and this greatly threatens peace and security in Asia.

DPRK: Foreign Groups Urge U.S., ROK To Stop 'Provocations'*SK2105092896 Pyongyang KCNA in English
0852 GMT 21 May 96*

[FBIS Transcribed Text] Pyongyang, May 21 (KCNA) — Foreign public organisations recently released statements denouncing the manoeuvres of the United States and the South Korean authorities to provoke a war, rendering the situation on the Korean peninsula more strained.

The Nepalese Committee for Supporting Korea's Reunification, the Nepalese Committee for the Promotion of Korea's Reunification and 11 other public organisations in Nepal in a joint statement said that they are following the worsening situation of the Korean peninsula with deep apprehension and demanded that the U.S. and the South Korean authorities put an immediate halt to their war provocation moves.

The Ghana-DPRK Friendship Association strongly demanded the U.S. and the South Korean authorities discontinue joint military manoeuvres on the ground and in sky and sea. And the organisation urged the South Korean authorities to stop making preparations for a war against the Democratic People's Republic of Korea in league with outside forces.

The Malian Coordination Committee of the Pan-African Youth Organisation said that all the recent military actions in South Korea are, no doubt, provocations against the DPRK striving for peace on the Korean peninsula. It demanded that the U.S. conclude a peace agreement with the DPRK.

The Central Committee of the Mali Red Cross said that it is because of the U.S. and South Korean authorities' violation of the Armistice Agreement that a dangerous situation is prevailing in the Korean peninsula. We hold that the U.S. should solve all the problems through dialogue, not through military showdown, it noted.

DPRK: Countries Urged To Refrain From Siding With 'Imperialists'*SK2205084096 Pyongyang KCNA in English
0831 GMT 22 May 96*

["NODONG SINMUN Calls For Checking Imperialist Domination" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 22 (KCNA) — NODONG SINMUN today carries an article titled "Imperialists' Moves of Domination Should Be Checked."

The article says:

It is important in the struggle against the imperialists' moves to dominate other nations to prevent them from interfering in other sovereign nations under the pretext of "settlement of disputes."

The imperialists, as if they were obliged and authorized to deal with disputes, have internationalized them and resorted to armed interference, rendering the situation all the more complicated.

They have also supplied arms to contending parties, making money and fueling conflicts.

If the people fail to intensify the struggle to check their interference, well aware of its unreasonableness and danger, the imperialists will become more arrogant and humankind will suffer a great disaster.

In order to thwart the imperialists' moves, disputes should be settled through negotiations in the interests of nations concerned and their peoples.

What is important to this end is that all nations steadfastly maintain independence and refrain from joining in their moves.

The imperialists are crafty enough to base their armed interference in other nations on the pretext of "ensuring a stable situation of regions and security of the countries around strife-torn areas." In this way, they have inveigled the nations into their military intervention moves.

If the countries around strife-torn areas refused to collaborate with the imperialists in their armed intervention with a principled stand, the imperialists would be unable to expand their acts of aggression and military intervention as they do now.

It is also important to never allow the imperialists to isolate and blockade other nations.

The imperialists have tried to stifle those nations out of their favor, imposing an overall economic blockade and pressure on them.

Their moves to isolate and blockade the nations pursuing independence against imperialism are little different from a war of aggression without a gun report.

If all the countries of the world firmly keep to independence and refrain from siding with the imperialists in isolating and blockading other nations, their moves will be like hammering on cold iron.

DPRK: NODONG SINMUN Discusses Imperialists' Trickery

*SK1805212096 Pyongyang NODONG SINMUN
in Korean 3 May 96 p 6*

[Article by Choe Song-kuk: "We Should Not Be Deceived by the Imperialists' Hypocrisy"]

[FBIS Translated Text] The Great Leader Comrade Kim Il-song has taught: We should never take a fancy to imperialism.

The flow of the international situation continues assuming various aspects. However, looking into them as a whole, we find that all those aspects are grouped into two categories, either independence or subjugation, progress or reaction. This shows that the main struggle in the international arena is still being waged between the forces of independence and the forces of domination.

The greatest force of domination is imperialism. The imperialists camouflage their true colors and deceive people to realize their objective of domination and employ various kinds of trickeries to tempt them. To tempt the people, they wave a "silk cloth" and give off the scent of "perfume," habitually engaging in hypocritical acts.

Looking into international life today, we witness quite a few instances of foolish acts being committed by those deceived by the imperialists' trickeries into expecting some "benefit" and thus taking quite a fancy to them. This act leads them to be trapped by the imperialists' magic to lose the spirit of independence, leading them deep into the pit of domination and subjugation. In other words, taking on a fancy to the imperialists is a way to self-destruction. Therefore, the countries and people that aspire to independence should never be deceived by the imperialists' hypocritical temptation and art of disguise or hold any fancy or expectations of them. To this end, it is important to know the imperialists' art of disguise well.

With the end of the cold war, many changes are taking place in international life. Detente and the trend toward peace are becoming the prevailing trend, and international relations are heading toward diversification. Reconciliation is being made and confrontation brought to an end between countries and nations that once had relations of hostility and conflict. Countries with different ideologies and systems are making moves to promote development of new relations in the political, economic, diplomatic, and other fields.

Taking advantage of this trend of the development of international relations, the modern imperialists are attempting to realize their wild ambition for domination

by disguising themselves as if their aggressive nature were changed and attracting members of the international community into their sphere of influence through the employment of more shrewd tactics.

Above all, the imperialists disguise themselves as the "defenders" of "stability" and "peace." They rave about "checking" "regional crises" and "disputes" and maintaining "peace and stability." However, this is not their true intent. Their assertion that they are "checking disputes" and "maintaining peace" is aimed at disguising their policy of aggression, interference, and war.

After the end of the cold war, people expressed the desire for regional stability to be achieved and durable peace realized worldwide. However, contrary to the expectations of people, various unexpected disputes occurred and spread in various regions of the world. Because of this, political unrest, disorder, and bloodshed occurred in various regions and countries of the world. At the same time, the refugee issue emerged as a serious problem, and regional peace and stability was broken and disturbed. The earth was visited by a cold war of a new type different from the cold war between the East and the West that had existed for a long time characterized by the confrontation between the two superpowers.

This situation is brought about by the imperialists' new maneuvers for aggression and interference.

After the end of the cold war, a series of changes took place in the imperialists' aggressive foreign policy and world strategy. Their basic strategy during the cold war was to check and gain supremacy over socialism. However, since the end of the cold war, their main policy goal has been to establish regional spheres of influence. Here, they are selecting two methods.

The first method is to both openly and secretly promote and intensify regional crises and disputes, and under the pretext of "checking disputes" conduct legalized aggression and intervention, and thus establish their spheres of influence. The other method is to promote maximum stability in the regions where their life-and-death economic interests are concentrated and in the regions where their political and military spheres of influence are being maintained. Examples of this are military intervention in the Balkan region and "stability" diplomacy toward the Middle East region. The so-called "theory of checking disputes" and the "theory of regional stability" by the imperialists are reactionary theories to maintain and expand regional supremacy.

The imperialists are babbling as if the issue of disputes cannot be resolved and peace and security cannot be

guaranteed without their role. This is a sophistry to rationalize their aggressive and intervening policies.

Requesting the imperialists who are pursuing aggression, war, and intervention to resolve disputes and regional security issues is like going into a pigpen with clean clothes on.

The imperialists are disguised as "fighters advocating human rights" and "defenders of democracy." In other words, they are insisting on "democracy" and that they are "respecting human rights." However, the Western-style democracy and human rights on which they are insisting is a reactionary and anti-people's democracy and human rights checking and infringing on the popular masses' true freedom and rights. While professing "democracy" and "human rights," the imperialists have exported to other countries the bourgeois-style political method and system, thus promoting social and political debacles and confusion, as well as reactionary forces' activities and seizure of power to lead other countries toward capitalism. The collapse of socialism and restoration of capitalism in many countries; divisions and disputes between nations and races in some countries; and the results of disorder are the consequences of the imperialists' Western-style democracy and policy of exporting human rights.

So-called "democracy" and "human rights" are tools for the imperialists' aggression and intervention. After the cold war, under the pretext of "democracy" and "human rights," the imperialists have been putting political, economic, and diplomatic pressure on other countries, in particular countries that rub them the wrong way, and it is not once but many times that they have openly conducted military invasions and intervention.

The profession of so-called "democracy" and "human rights" by the imperialists is only a change in their aggressive scheme. However, it would be a grave mistake for us to misunderstand it as a change in the imperialists' true nature and to thus have some kind of expectations.

While professing to be "charitable people" and "humanitarians," the imperialists are playing all kinds of hypocritical games. A good example of this is their proposal for so-called "assistance" and "cooperation."

Then what is indeed "assistance" and "cooperation?"

The imperialists are green with envy when someone is successful. They like it when other people are not successful and hope that they fail in what they do. Moreover, they do not by any means truly help other people. This is the generic character of the imperialists and their ill-natured disposition. As capitalists pursuing profits do not display generosity toward the workers

they have hired, imperialists pursuing subordination and plunder do not display benevolence toward other people. It is indeed absurd for them to profess some kind of "assistance" and "cooperation."

"Assistance" and "cooperation" is not offered by the imperialists to help others, but is through and through offered to suit their purposes and is aimed at insidious goals. When socialism was frustrated in many countries, they talked about the "superiority" of capitalism and boisterously babbled about "assistance" to these countries. Socialist betrayers who have fantasies about imperialism showed much interest in this and had great expectations in their "assistance." However that was a miscalculation. The promise of "assistance" by the imperialists was the same as a blank gun. If they truly gave "assistance" to countries where socialism was frustrated, it was the same as dropping a few raindrops on a people who want a sudden shower. Commentator Aleksandr Goltz [name as transliterated] of Russia's newspaper KRASNAYA ZVEZDA has concluded: "Assistance by the Western countries was a castle in the air." It is no coincidence that PRAVDA has severely criticized Russia-U.S. relations as being comparable to that of "fellow companions whose friendship is worth only two bottles of whiskey." A few days ago, the chairman of the Security Committee of Russia's State Council told an ITAR-TASS reporter: "The expectation that the United States and Europe will give an enormous amount of financial aid to us has crumbled."

The imperialists are pretending to display great generosity to developing countries, but this is only a pretense. While providing a mere pittance of "assistance" to these countries, they are on the other hand taking an elephant's share. Also, in accordance with political and economic goals and interests, they are controlling the amount of "assistance" as they please. "Assistance" and "cooperation" received from the imperialists, whatever the circumstances, is all a trick for plunder and subordination.

Imperialists are not "defenders of peace," but destroyers of peace. They are not "advocators of human rights," but the worst infringers of human rights. Also, they are not "charitable people," but are instead bloodsuckers. And they are not "humanitarians," but evil people. How can we have fantasies about such people and expect some kind of "virtue" from them? This is truly tantamount to destroying oneself. This is eloquently shown by the situation of countries where socialism was frustrated and capitalism restored.

As a coyote cannot change into a sheep, the true intention of the imperialists will by no means change until they enter their graves. Therefore, we must deal

with the imperialists with a principled position and enhance revolutionary awareness.

DPRK: Commentary Rejects Kim Yong-sam's Call for Dialogue

SK2105150496 *Pyongyang Korean Central Broadcasting Network in Korean*
0754 GMT 21 May 96

[Unattributed talk: "A Cunning Attempt by an Antireunification Element Bent on Confrontation"]

[FBIS Translated Text] South Korea's traitor Kim Yong-sam is raving about the resumption of dialogue these days. The gibberish by traitor Kim Yong-sam is an absurd idle talk aimed at shielding his true colors as destroyer of dialogue and his maneuvers for confrontation and division. The antinational and antireunification crime puppet traitor Kim Yong-sam has committed reveals this well.

The Kim Yong-sam puppet clique resumed, with foreign forces, the Team Spirit exercise, a test nuclear war exercise for northward invasion, which was suspended toward the end of the Sixth Republic, raved about the fictitious nuclear threat from the North, and frenziedly engaged in nuclear commotions aimed at slandering and crushing [apsal] the fellow countrymen. By so doing, the Kim Yong-sam puppet clique totally blocked, froze, and ruptured the multi-thronged North-South dialogue, which was carried even during the preceding period of military dictatorship.

The puppets committed without hesitation a treacherous act of trampling down the North-South Agreement and the Joint Declaration on Denuclearization like a scrap of paper.

This is an antinational and antireunification criminal act which can only be committed by a traitor and an enemy of reunification like the Kim Yong-sam ring which prolongs its filthy life in return for its service as a servant of foreign forces for nuclear war and a colonial slave, ignoring the fate of the country and the nation.

It is the unpardonable antihumanity, antinational crime and the most vicious act of nation-selling that, when the fellow countrymen suffered a misfortune, the Kim Yong-sam ring, instead of following the good manners of expressing condolences, leveled a gun at the mourning fellow countrymen and wielded bayonets at the South people who wanted to share the sorrow with the fellow countrymen, turning the situation which was on the trend of reconciliation and unity back to the phase of acute confrontation.

We will let traitor Kim Yong-sam pay the price perpetually for the crime he committed leaving the unhealing wound in the painful hearts of the fellow countrymen who suffered from the unexpected national funeral. We will also let the puppet traitor pay the price dearly for the crime he committed by blocking with bayonets, branding them as illegal meetings, the three pannational rallies in Seoul and the reunification festivals of students while he was in power, ruthlessly suppressing the reunification and democratic forces, such as those who visited the northern half of the Republic and those who called for contact, exchange, dialogue with the North.

Very great was the crime of traitor Kim Yong-sam who, as a shockbrigade of the anti-DPRK nuclear commotions conducted by the imperialist reactionaries, begged for sanctions and international joint cooperation aimed at slandering, harming, and crushing the fellow countrymen and interrupted the improvement of DPRK-U.S. and DPRK-Japanese relations.

The puppets committed a rash act of putting forward North-South dialogue as a precondition in an attempt to obstruct the DPRK-U.S. talks. Even when the DPRK-U.S. talks progressed far and the statement of the agreement was about to be implemented, the puppets busied themselves about with the panhandler diplomacy, babbling about special inspection and commensurate North-South dialogue.

When the DPRK-U.S. talks were concluded and the framework agreement was adopted and effectuated, bringing forth a trend of detente hovering on the Korean peninsula, the Kim Yong-sam ring created the situation of all-out confrontation with us, conducting large-scale fire games of war of northward invasion, such as Toksuri and Hwarang, similar to the Team Spirit joint military exercise.

Traitor Kim Yong-sam, who was frustrated in his failed attempt to delay and frustrate the DPRK-U.S. talks, tried to be compensated for it by barring the implementation of the DPRK-U.S. framework agreement.

Truly, the crime traitor Kim Yong-sam committed against the county and the nation during the three-year period when he was in power was greater than the crimes committed by all his predecessors put together. It is preposterous and an extreme of shamelessness that such a man as this raves about the resumption of dialogue.

If traitor Kim Yong-sam were interested in resuming dialogue, he would not turn away from our reasonable and realistic proposal for making this year the year of peace and great national unity for the North, the South, and overseas compatriots, nor would he frenziedly

engage in arms buildup and war commotions aimed at invading the North.

The resumption of dialogue raved about by the puppets is aimed at disguising their true colors as disturber of peace and destroyer of North-South dialogue; it is, rather, a slogan of confrontation, division, and war.

Traitor Kim Yong-sam's attempt to shift the blame onto others for the rupture of North-South dialogue, babbling about the resumption of dialogue, is a cunning plot aimed at misleading opinion at home and abroad, tiding over the crisis with the support of someone, and hampering the improvement of DPRK-U.S. and DPRK-Japanese relations by intensifying the anti-DPRK confrontation and war maneuvers.

The filthy nature of the Kim Yong-sam ring which opposes peace and peaceful reunification of the country and seeks confrontation, division, and war maneuvers has been revealed to the world once again. Only shame and destruction are in store for the Kim Yong-sam ring which rejects the nation's consistent aspiration and demand and dashes along the road of treachery, division, and war.

DPRK: Vice Premier's Delegation Leaves for China
SK2105093196 Pyongyang KCNA in English
0915 GMT 21 May 96

[FBIS Transcribed Text] Pyongyang, May 21 (KCNA) — A government delegation of the DPRK led by Vice-Premier Hong Song-nam left here today for China.

The delegation was seen off at the airport by Choe U-chin, vice-minister of foreign affairs, Kim Chu-song, vice-chairman of the State External Economic Affairs Commission, and Sui Xiudong, charge d'affaires ad interim of the Chinese Embassy in Pyongyang.

DPRK: Delegations Leave for China, Japan
SK2205084796 Pyongyang KCNA in English
0837 GMT 22 May 96

[FBIS Transcribed Text] Pyongyang, May 22 (KCNA) — A delegation of publishers of Korea led by Kim Kwan-hoe, deputy general director of the General Publication Bureau, left here today for a visit to China.

A Pyongyang municipal delegation led by Chang In-su, vice-chairman of the Pyongyang Municipal People's Committee, also left here to take part in the second Pyongyang-Tokyo Friendship Festival due in Japan.

DPRK: Pakistan People's Party Delegation Arrives
SK2105103896 Pyongyang KCNA in English
1020 GMT 21 May 96

[FBIS Transcribed Text] Pyongyang, May 21 (KCNA) — A delegation of the Pakistan People's Party led by political advisor to the party's Chairwoman Qayyum Nazami [name as received], who is member of the party Central Executive Committee, arrived here today.

The delegation was met at the airport by Secretary of the Central Committee of the Workers' Party of Korea [WPK] Hwang Chang-yop, Vice Department Director of the WPK Central Committee Chi Chae-yong and Pakistani Ambassador to Korea Rehmdil Bhatti.

DPRK: Pakistani Delegation Lays Flowers at Kim Il-song Statue

SK2205040496 Pyongyang KCNA in English
0312 GMT 22 May 96

[FBIS Transcribed Text] Pyongyang, May 22 (KCNA) — A delegation of the Pakistan People's Party led by political advisor to the party's chairwoman Qayyum Nizami, who is member of the party Central Executive Committee, laid a floral basket before the statue of the great leader President Kim Il-song on Mansu Hill and made a bow on Tuesday [21 May].

DPRK: Hwang Chang-yop Addresses Pakistani Delegation at WPK Party

SK2205051296 Pyongyang KCNA in English
0409 GMT 22 May 96

[FBIS Transcribed Text] Pyongyang, May 22 (KCNA) — The Workers' Party of Korea Central Committee gave a dinner for the delegation of the Pakistan People's Party on Tuesday [21 May].

Invited to the dinner were members of the delegation led by Qayyum Nizami, political advisor to the party's chairwoman and member of the party Central Executive Committee, and Pakistani Ambassador to Korea Rehmdil Bhatti.

Secretary of the WPK Central Committee Hwang Chang-yop, addressing the dinner, said the Pakistan People's Party, under the correct leadership of Her Excellency respected Chairwoman Benazir Bhutto, has made a new stride forward in cementing the party, rallying broad segments of masses around it and building Pakistan into a prosperous and independent country.

He wished the Pakistan People's Party a bigger success in its activities to strengthen and develop itself and lay solid mass foundations.

Referring to the international prestige of Pakistan which is growing higher day by day thanks to the independent foreign activities of Her Excellency respected Prime Minister Benazir Bhutto and the government, he said: "We will make all efforts continuously to expand and develop the bonds of friendship and cooperation between the two parties with a longstanding and splendid history."

Qayyum Nizami noted in his speech that he was given the privilege of being received by the great President Kim Il-song when he was on a tour of Korea in the past, saying he will remember forever those unforgettable, glorious days.

"Though the president's heart stopped beating, he is immortal in the minds of the people," he said.

"It is a great fortune for the Korean people to have Marshal Kim Chong-il, the genius of the revolution and the great leader, who perfectly personified the socialist idea and theory."

"Marshal Kim Chong-il is leading the Korean people with his wisdom of particular clairvoyance and wise guidance," he said, expressing the conviction that Korea will go ahead more dynamically under the energetic leadership of Marshal Kim Chong-il, who has personified the leadership traits of President Kim Il-song and carried forward his cause.

"Pakistan fully supports the Korean people in their efforts to reunify the country in a peaceful way free from any outside intervention," he said.

DPRK: Kim Yong-nam Meets Foreign Ministers of 4 Nations

SK2005060296 Pyongyang Korean Central
Broadcasting Network in Korean
1300 GMT 17 May 96

[FBIS Translated Text] On 15 May, Kim Yong-nam, DPRK vice president and foreign minister, met with the foreign ministers of Colombia, Indonesia, Ghana and Palestine, respectively, who were attending the meeting of the Non-Aligned Standing Commission in Cartagena, Colombia.

In the meetings, they discussed bilateral relations, the Non-Aligned Movement, and other issues of mutual concern.

DPRK: Foreign Defense Ministers Send Greetings to Choe Kwang

*SK1905075696 Pyongyang KCNA in English
0645 GMT 19 May 96*

[FBIS Transcribed Text] Pyongyang, May 19 (KCNA) — Marshal of the Korean People's Army Choe Kwang, who is minister of the People's Armed Forces, received messages of greetings from defence ministers of various countries on the occasion of the KPA's 64th birthday.

The messages came from State Councillor and Minister of National Defence Chi Haotian, who is vice-president of the Central Military Commission of the People's Republic of China; Raul Castro Ruz, minister of the Revolutionary Armed Forces of Cuba; Choummali Saingason, minister of national defence of Laos; Doan Khue, minister of national defence of Vietnam; Mohammad Foruzandeh, minister of defence and armed forces logistics of Iran; Commander-in-Chief of Armed Forces Muhammad Husayn Tantawi, minister of defence and military production of Egypt; Gheorghe Tinca, minister of national defence of Romania; Dimitur Nikolov Pavlov, minister of national defence of Bulgaria; and Pavle Bulatovic, minister of national defence of Yugoslavia.

The messages sincerely wished the heroic Korean People's Army greater success in the struggle for the country's defence, socialist construction, and the independent reunification of the country under the wise guidance of the Great Leader Comrade Kim Chong-il, true to the behests of President Kim Il-song.

Choe Kwang sent reply telegrams to them.

DPRK: Foreigners Send Message of Greetings to Kim Chong-il

*SK2205041996 Pyongyang KCNA in English
0322 GMT 22 May 96*

[All names of foreign party leaders as received]

[FBIS Transcribed Text] Pyongyang, May 22 (KCNA) — The great leader Comrade Kim Chong-il received a message of greetings from Alhaji Ahmed Tejjan Kabbah, president of the Republic of Sierra Leone, on the occasion of the 64th anniversary of the foundation of the Korean People's Army.

He also received messages of greetings on same occasion from Cris Coleman, general secretary of the Central Committee of the Revolutionary Communist Party of Britain; Ngoy Nduba, secretary general of the Lumumba Democratic Party of Zaire; Tani Baler Lopera, general secretary of the National Executive Committee of the Left Revolutionary Union of Peru; Gustavo Mohme Ry-

ona, national secretary general of the Socialist Political Action Party of Peru; Eleazar Gutarra Maravi, chairman of the Peruvian Nationalist Movement of Labour and Alberto Moreno, general secretary of the Central Committee of the Communist Party of Peru (Red Motherland).

The messages expressed warmest congratulations to Comrade Kim Chong-il on the occasion of the 64th anniversary of the foundation of the Korean People's Army and wished him good health and a long life.

The messages reaffirmed firm solidarity with the Workers' Party, people and People's Army of Korea in the cause of socialist construction and reunification of the country under the wise leadership of Comrade Kim Chong-il.

DPRK: Bulgarian Embassy Presents Books To Study House

*SK2205040796 Pyongyang KCNA in English
0315 GMT 22 May 96*

[FBIS Transcribed Text] Pyongyang, May 22 (KCNA) — Books were presented to the Grand People's Study House by the Bulgarian Embassy here on Tuesday on the occasion of the Bulgarian holiday of education, culture and Slavonic letters.

Present there were vice-president of the Grand People's Study House Choe Kwang-yol, Bulgarian Ambassador Yordan Mutaftchiev and personages concerned.

Speeches were exchanged and the participants saw the books.

DPRK: KCNA Reports on Commemorations of Kwangju Uprising

*SK2105042896 Pyongyang KCNA in English
0315 GMT 21 May 96*

[FBIS Transcribed Text] Pyongyang, May 21 (KCNA) — The "National Alliance for Democracy and Reunification" and 50 other public organisations of South Korea reportedly commemorated the 16th anniversary of the Kwangju popular uprising in different parts.

These organisations held a meeting of their representatives in Kwangju on May 2 and decided to stage joint ceremonies to mark the Kwangju uprising. According to the decision they set a period of memory from May 12 to 19 and held rallies and demonstrations, including an all-people signature campaign to indict the United States at the International Court of Justice.

DPRK: KCNA Notes Increasing Number of Demonstrations in South

*SK2105042996 Pyongyang KCNA in English
0316 GMT 21 May 96*

[FBIS Transcribed Text] Pyongyang, May 21 (KCNA) — Some 2,400 rallies and demonstrations had reportedly been held in South Korea as of early May from the beginning of this year. They involved more than 782,000 people from all walks of life.

The South Korean puppet police chief said this in a press conference on May 10. The figure is much higher than in the corresponding period of last year, he said.

The mounting struggle of South Korean students and people is driving the Kim Yong-sam group deep into a serious crisis.

DPRK: Demonstration by ROK Students Reported

*SK2205035696 Pyongyang KCNA in English
0311 GMT 22 May 96*

["Student Demo in S. Korea" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 22 (KCNA) — Students under the Seoul District Federation of University Student Councils held an anti-U.S. surprise demonstration in Hannam-tong, Yongsan district, Seoul, a radio report from Seoul said.

The students urged the United States to open to the public its behind-the-scene manipulation of the Kwangju massacre and apologize for it, the truth of which has been brought to light, and to withdraw its forces from South Korea without delay.

DPRK: MINJU CHOSON Condemns Arrest of Nine Students in ROK

*SK2105094896 Pyongyang KCNA in English
0902 GMT 21 May 96*

["Repressive Offensive by Those Faced With Crisis" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 21 (KCNA) — The South Korean puppet police recently arrested nine students including the former chairman of the Central Committee of the National Political Federation of Students and issued arrest warrants for another nine including its incumbent chairman. Meanwhile, the "Defense Security Command" has detained four soldiers who were members of the organization and put them into an investigation.

Commenting on the fact, MINJU CHOSON today says their arrest revealed that South Korea is a graveyard of democratic freedom, social justice and human rights

and the Kim Yong-sam's is a group of traitors who want neither independence and democracy of society nor the reunification of the country.

The Kim Yong-sam group's repressive offensive is an offspring of its crisis and a desperate effort to prop up the tottering regime by dint of bayonet, the daily says.

DPRK: VNS Says South Koreans Marked Kim Il-song's Birthday

*SK2105092496 Pyongyang KCNA in English
0841 GMT 21 May 96*

[FBIS Transcribed Text] Pyongyang, May 21 (KCNA) — South Koreans from all walks of life commemorated the birth anniversary of the great leader President Kim Il-song with deep reverence, reported the Seoul-based radio Voice of National Salvation [VNS] quoting information from the Seoul city, South Chungchong and North Cholla Provincial Committees of the National Democratic Front of South Korea.

An old man surnamed Yi in Iksan city, North Cholla Province, told his descendants on April 15 that articles praising President Kim Il-song continuously appeared in newspapers after the country's restoration on August 15, 1945. He went on to say:

"Every one knew that President Kim Il-song was a great hero produced by the nation and a bright sun.

"I have always lived, firmly trusting him as my moral support.

"You must remember that only when General Kim Chong-il's intentions are upheld faithfully, can President Kim Il-song be immortal. And you must commemorate his birth anniversary forever."

A certain Kim of the General Federation of National Artistes of South Korea told his colleagues about the April spring friendship art festival which was held in Pyongyang.

He continued:

"Although President Kim Il-song passed away, the April spring friendship art festival is continuously held with a large attendance as it was when he was alive. This fact alone is enough to show that he commands absolute respect and trust from people around the world.

"President Kim Il-song is indeed an eternal sun and great man for all ages who is immortal in the hearts of humankind."

Meanwhile, the members of the whistle song society in Chongno District, Seoul, sponsored a concert with the attendance of members of ideology study circles

active in various districts of Seoul, and the members of the April 15 fellowship society held a meeting at a place in Chonan city, South Chungchong Province to recite poems composed by themselves in praise of the president's revolutionary achievements on the occasion of his 84th birthday.

DPRK: NODONG SINMUN Denounces South's Policy on 'Leftists'

*SK2105035996 Pyongyang KCNA in English
0323 GMT 21 May 96*

["Curtain-Raiser to Another Round of 'New Security-Oriented Politics'" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 21 (KCNA) — The Kim Yong-sam group, on May 17, held a "meeting of chiefs of ten security-related ministries and agencies" including the puppet Agency for National Security Planning, Defense Security Command, National Unification Board and Ministry of Education to discuss "actively coping with the leftists, who have posed a serious problem, with an effective cooperation system."

A wave of search and arrest has swept South Korea, turning the whole land into a military fascist rowdiness.

In a commentary NODONG SINMUN today says the Kim Yong-sam group's fascist moves are part of their desperate efforts to maintain the "civilian" fascist dictatorship beset with a serious crisis by harshly suppressing the patriotic national forces for democracy and reunification under the pretext of checking the activities of the "leftists". They are also a curtain-raiser to the reactionary offensive for starting another round of the fascist "new security-oriented politics," the daily says, and continues:

The fascist clique are branding the forces of independence, democracy and reunification as "leftists" and charging them with being "pro-communist" and enemy-benefitting elements." This is really a preposterous sophism for justifying the suppression of the pro-reunification democratic forces.

They, in a far-fetched way, are linking with the North those who have formed an independent organization of their own accord and struggled for democracy and reunification, and charging them with being "pro-communist and enemy-benefitting elements." This is an intolerable crime aimed at hampering independence, democracy and reunification.

The another round of the "new security-oriented politics" is a last-ditch effort of the Kim Yong-sam group, who are going to ruin, swimming against the aspiration of the people and the current of the time.

DPRK: Gaining of Majority by ROK's 'New Korea Party' Criticized

*SK2205041896 Pyongyang KCNA in English
0326 GMT 22 May 96*

["Another Political Coup in S. Korea" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 22 (KCNA) — The Kim Yong-sam group of South Korea has cobbled together 150 seats, a majority in the puppet National Assembly, by drawing opposition and independent members into the "New Korea Party."

NODONG SINMUN today views it as another political coup reminding the people of the merger of three parties by No Tae-u, Kim Yong-sam and Kim Chong-pil six years ago, which resulted in producing the "Democratic Liberal Party" and capturing a majority of the ruling party.

In a commentary the daily says the Kim Yong-sam group's brigandish act is a high-handed and arbitrary practice which could be perpetrated only by the group of political gangsters and fascist tyrants without equal in the world.

After losing in the "parliamentary election," the Kim Yong-sam group has begun to woo opposition and independent "lawmakers-elect," backed by the power, intentionally changing the results of the "election." This is what they, who are advertising "parliamentary democracy," have done.

It is apparent that the Kim Yong-sam group will take an overall majority in the "National Assembly", railroad through it fascist laws against independence, democracy and reunification en masse and, for the present, pursue more ferocious fascist policies to remain in power.

The newspaper MINJU CHOSON says in a commentary that the South Korean people will, no doubt, have nothing to expect from the 15th "National Assembly" in the hands of the party of gangsters.

DPRK: Delegation Leaves for Nigeria

*SK2105094996 Pyongyang KCNA in English
0913 GMT 21 May 96*

[FBIS Transcribed Text] Pyongyang, May 21 (KCNA) — A delegation of the Democratic People's Republic of Korea led by Kim Chol-myong, editor-in-chief of NODONG SINMUN and chairman of the DPRK Information Committee, left here today to participate in the 13th meeting of the Inter-governmental Council for Information Coordination of the Non-aligned countries which will be held in Nigeria.

The delegation was seen off at the airport by Song Pong-sun, deputy general director of the KOREAN CENTRAL NEWS AGENCY and vice-chairman of the DPRK Information Committee, and Nigerian Ambassador to Korea Olugbenga Ayodeji Ashiru.

DPRK: WPK Sends Greetings to Communist Party of Greece Congress

SK2105095196 *Pyongyang KCNA in English*
0917 GMT 21 May 96

[FBIS Transcribed Text] Pyongyang, May 21 (KCNA) — The Central Committee of the Workers' Party of Korea [WPK] today sent a message of greetings to the 15th congress of the Communist Party of Greece.

The message expressed the belief that the congress would mark an important historical occasion in the struggle for organisational and ideological strengthening of the party and the democratic rights of the working masses and the independent development of the country.

It expressed the conviction that the traditional friendly and cooperative relations established between the Workers' Party of Korea and the Communist Party of Greece in the common struggle for socialism and independence against imperialism would grow stronger and develop. It wished a success to the congress.

DPRK: Foreign Minister Kim Yong-nam, Party Return Home

SK2105102896 *Pyongyang KCNA in English*
1019 GMT 21 May 96

[FBIS Transcribed Text] Pyongyang, May 21 (KCNA) — Vice-premier and Foreign Minister Kim Yong-nam and his party, who had visited Middle East countries and participated in the ministerial committee meeting of the non-aligned countries which was held in Colombia, came back home today.

They were greeted at the airport by Kang Sok-chu, first vice-minister of foreign affairs, and diplomatic envoys of China, Libya, Algeria and Syria here.

DPRK: Hyangsan Hotel Exemplar of Service to Foreign Guests

SK1805104196 *Pyongyang KCNA in English*
0822 GMT 18 May 96

[FBIS Transcribed Text] Pyongyang, May 18 (KCNA) — It is ten years since Hyangsan Hotel, a base of external service of the DPRK, was opened in May, 1986.

The hotel is located at the foot of Mt. Myohyang, a world famous scenic spot, in the northwest of the country.

The Workers' Party of Korea Central Committee sent a congratulatory letter to the officials and workers of the hotel on the occasion of the anniversary.

The WPK Central Committee in the letter highly praised them for their remarkable success in external service with loyalty to the party and the leader.

The hotel successfully ensured important functions of the party and state and served foreign guests and overseas compatriots on a high level for ten years.

A meeting was held at the hotel on May 17 to mark the 10th anniversary of its opening.

A letter of pledge to the Great Leader Comrade Kim Chong-il was adopted at the meeting.

DPRK: Article Lauds DPRK-Style Socialism

SK2105120796 *Pyongyang MINJU CHOSON in Korean* 4 May 96 p 2

[Article by Yu Myong-ho: "Our Style of Socialism Is an Invincible Socialism That Is Absolutely Supported and Trusted by the Popular Masses"]

[FBIS Translated Text] The truthfulness and superiority of socialism is shown by the support and trust from the popular masses. In order for socialism to overcome all difficulties and trials of history and make its way toward victory, it must be a socialism that is supported and trusted by the popular masses.

The great leader [widaehan yongdoja] Comrade Kim Chong-il indicated:

When the popular masses maintain their position as the masters of the country and society, exercise their rights, fulfill their responsibilities and role as the masters, and lead a valuable and happy life, then, the our popular masses-centered style of socialism will be an invincible socialism that is absolutely supported and trusted by the popular masses.

Our style of socialism is the most solid and invincible socialism that is absolutely supported and trusted by the popular masses. Our style of socialism is a popular masses-centered socialism that fully embodies the inherent demand of the popular masses, who live and develop as the masters of everything.

Our style of socialism is an invincible socialism that is absolutely supported and trusted by the popular masses because it gives the popular masses the position as masters of everything and allows them to exercise the rights of the masters.

In order for socialism to be supported and trusted by the popular masses, the popular masses must assume

the position as the masters of everything in society and exercise the rights as the masters. Assuming the position as the masters and exercising the rights is the first demand of the popular masses, who aspire for independence, and the independent position and rights are the basic conditions that decide the destiny of the popular masses.

Our party and state thoroughly reflect the independent demands and interests of the popular masses in establishing all lines and policies, in order to guarantee the independent position and rights of the popular masses in all aspects of social life. The lines and policies are implemented by the strength of the popular masses. Our party and state always take the first step by listening to the opinion and demands of the popular masses when they establish the party's lines and policies and carry out the revolution and construction. Upholding the party's slogan "Serve for the People," the functionaries bear a correct view on the popular masses and carry out their work with the unlimited creativity of the popular masses.

Our party and state also thoroughly defend the independence of the country and nation in order to perfectly guarantee the independent rights and position of the popular masses. The revolution and construction is carried out by the unit of a country and a nation. Therefore, the independent position and rights of the popular masses is guaranteed when the independence of the country and nation is thoroughly defended.

Our party has firmly defended the independence and dignity of the country and nation by thoroughly implementing the revolutionary principles of independence in politics, self-reliance in economy, and self-defense in national defense. The party is still invariably maintaining its faith and uplifting the banner of socialism. Particularly, the party has not tolerated the imperialists' rude interference and tyranny of infringing upon the independence of the people in other countries under the excuse of "defending human rights," and has resolutely defended and safeguarded the independent rights of the country and nation.

All these clearly show that our style of socialism is the socialism that enables the popular masses to firmly assume the position as the masters of society and exercise the rights of the masters at the highest level. This is why our people regard our style of socialism as the life and cradle of their lives and happiness, and why they absolutely support and trust it.

Our style of socialism is an invincible socialism that is absolutely supported and trusted by the popular masses because it enables the popular masses to fulfill the responsibilities and role of the masters.

In order for socialism to be supported and trusted by the popular masses, the popular masses must be able to fulfill the responsibilities and role of the masters. When the popular masses fulfill the responsibilities and role of the masters, then, they can responsibly solve all problems arising in the process of the revolution and construction on their own, and thereby maintain their position as the masters.

In order for the popular masses to fulfill the responsibilities and role of the masters of everything, they must heighten their self-consciousness as the masters, which requires giving priority to ideological reform and political work. Our party has firmly given priority to ideological reform and political work so that the popular masses bear a higher self-consciousness as the masters of everything in society. Our party has mobilized their revolutionary enthusiasm and creative eagerness to the maximum extent so as to accelerate the revolution and construction and display the superiority of socialism.

Our party has also strengthened the creativity of the popular masses so that they fulfill the responsibilities and role of the masters of everything in society.

Strengthening the creativity of the popular masses is an important matter that requires priority attention in the revolution and construction.

Our party established the most superior socialist education system and a system for all people to study. The state and society pay for and manage the system. Our party has successfully brought up all society members as fully developed builders of socialism and communism. Thanks to the wise leadership of our party, our people have demonstrated high revolutionary spirit and creative ability, turning an adverse situation into a favorable one, and misfortune into fortune, while victoriously spurring on our style of socialism.

Our style of socialism has won the absolute support and trust from the popular masses because it has ceaselessly enhanced the independent ideological mind, revolutionary enthusiasm, and creative eagerness of the popular masses.

Our style of socialism is an invincible socialism that is absolutely supported and trusted by the popular masses because it guarantees the popular masses a valuable and happy life as the masters.

In order for socialism to win support and trust from the popular masses, it must guarantee the people a valuable and happy life as the masters. When the popular masses feel they lead a valuable and happy life through actual experience, then they will enthusiastically support and absolutely trust socialism. In the past, our party and state

vigorously accelerated economic construction, strengthened and developed the socialist economic system, and built a mighty self-reliant national economy. As a result, our party and state were able to satisfactorily guarantee the people's material life on their own. Based on this, our party and state have ceaselessly improved the people's material and cultural living standard in conformity with the demand of socialism.

What constitutes the essence in the worthwhile and happy life of the popular masses is to glorify social and political life and to enjoy a dignified life amid love and trust by social groups. In the society of socialism of our own style, class confrontation has been eliminated and relations between the people have been turned into that of love and trust from that of confrontation and distrust. In our society, relations of comradely unity, cooperation, love and trust between a social group and its members and between each individual member of society have been realized in an excellent manner. Such relations have been demonstrated between the leader [suryong] and fighters at a loftiest level. The leader [suryong] and fighters and the party and the people have been united as one with love and trust and the entire society has been turned into a social and political organism. Thus, the popular masses are enjoying a most valuable and beautiful life.

The fact that socialism of our own style has become indomitable socialism enjoying absolute support and trust by the popular masses is a proud fruition of our party's politics of benevolence.

Thanks to our party's politics of love, trust and benevolence, all members of society have formed a great harmonious family in our country under the socialist system, and are freely enjoying a worthwhile and happy life by trusting, loving, and helping each other.

The reality of socialism, which is in full bloom under our party's politics of benevolence, is displaying the invincible might of socialism of our own style which enjoys absolute support and trust by the popular masses.

Today, a noble mental and moral trait, in which all the people uphold and follow the leader [suryong] as their father; trust and follow the party's bosom as their mother's bosom, and help and lead each other by cherishing worthwhile social and political life, has been highly demonstrated in our country.

Besides, our people are freely blooming a valuable life under the care and interest of the state without any worry about food, clothing, and shelter in their material and cultural life amid the care of the party and the state.

The benefits of our party's politics of benevolence have reached to our growing new generations, and as a

result, the greatest love and care have been extended to them. Thus, they are growing happily without knowing anything to envy under the warm love and care by the state and society.

Thanks to our party's politics of benevolence, the singlehearted unity between the leader [suryong], the party and the masses, has been consolidated into indomitable unity based on love and loyalty.

It is the true aspect of our singlehearted unity that the party and the leader trust and endlessly love the popular masses while the people absolutely trust and uphold the party and the leader.

Today the popular masses' support and trust of socialism of our own style based on singlehearted unity are absolute, firm, and unwavering.

Under socialism of our own style, the popular masses are playing the role of masters of society and exercising the rights as the masters of everything. Thus, they are enjoying worthwhile and happy life as masters while discharging responsibility as masters. Socialism of our own style has become socialism with indomitable might absolutely supported and trusted by the popular masses.

We should further strengthen superiority and indomitability of socialism of our own style which enjoys absolute support and trust by the popular masses. Herein lies a firm guarantee for accomplishing the chuche socialist cause to the end by breaking through all storm and trials.

By cherishing the pride in living under the most superior socialist system, all functionaries and working people should demonstrate the spirit of chuche Korea with firm faith in justness of their cause and should vigorously carry out the struggle to make our nation and fatherland wealthier and stronger. Thus, we should boundlessly glorify socialism of our own style.

DPRK: Kwangju Popular Uprising Marked in North Korea

*SK2205084996 Pyongyang KCNA in English
0820 GMT 22 May 96*

[FBIS Transcribed Text] Pyongyang, May 22 (KCNA) — The 16th anniversary of the heroic Kwangju popular uprising, which took place on May 18, 1980, was commemorated in different parts of the northern half of Korea.

Mass meetings were held in Kangwon Province, Kaesong, South Pyongan Province and Nampo on May 20 and 21.

The speakers said that the Kwangju popular uprising in South Korea dealt a telling blow at the colonial military

fascist rule of the U.S. imperialists and their stooges and greatly encouraged the anti-U.S., anti-fascist struggle of the South Korean people and the national liberation struggle of the oppressed peoples all over the world.

They pointed out that the South Korean people are still under the colonial fascist rule due to the invariable U.S. policy of domination over South Korea and to the treason of the present South Korean rulers who are following it and resorting to flunkeyist treachery, fascism, confrontation and war preparations.

The Kim Yong-sam group are covertly or uncovertly defending those responsible for the Kwangju massacre, which clearly shows that they are little different to those who turned the whole land of Kwangju into a bloodbath, they said.

They said that the ultra-rightist conservative forces of the U.S. and the South Korean rulers are now hell-bent on confrontation and war preparations. They called for more tense and mobilised posture than ever before to stand against the provocations of the enemies.

DPRK: Editorial Urges 'Great' Economic Construction

SK2105050996 Pyongyang MINJU CHOSON in Korean 4 May 96 p 1

[Editorial: "Let Us Effect Great Upsurge in Socialist Economic Construction With Mobilized and Alert Attitude"]

[FBIS Translated Text] Today our party demands that all functionaries and working people effect a great upsurge in socialist economic construction by constantly maintaining a mobilized and alert attitude. This demand is our party's revolutionary intention prompted by the revolutionary mission laid before us and by the prevailing situation.

The great leader [yongdoja] Comrade Kim Chong-il has indicated:

The revolutionary struggle demands that those who have embarked on the road of revolution should unswervingly struggle and continually advance with indomitable revolutionary spirit and firm tenacious will, not with an easygoing and idle attitude nor even a moment's stalemate and stagnation.

It is an important trait of revolutionaries to live and work with an alert attitude. The revolutionary struggle itself demands that those who embarked on the road of revolution should always work and advance with an alert attitude without even the slightest degree of an easygoing and relaxed attitude, stalemate and stagnation.

It is an important demand proceeding from grave and responsible missions laid before the party and revolution at present to effect a great upsurge in socialist economic construction with a mobilized and alert attitude.

As pointed out by the great leader Comrade Kim Chong-il, we should maintain and further glorify the popular mass-centered socialism of our own style which was provided by the respected and beloved Comrade Kim Il-song, and should carry to accomplishment the church-based socialist cause. Consolidation of the socialist economic position is important in successfully carrying out the lofty mission assigned by the time and history. The economic position is one of three positions of socialism, and consolidation of this position is a firm material guarantee for comprehensively intensifying the positions of socialism in every way, including ideological and military positions.

Today our socialist economic position can be firmly consolidated only when a great production upsurge is effected in all domains of the national economy by brilliantly accomplishing the revolutionary economic strategy put forward by the party. This position can be smoothly achieved when all functionaries and working people work in a militant manner with heightened revolutionary zeal and elevated spirit. Only with an alert attitude in the struggle by functionaries and working people, can we think of upsurge in socialist economic construction and the cause of glorifying and accomplishing socialism of our own style.

Effecting a great upsurge in socialist economic construction with a mobilized and alert attitude is the earnest demand of the prevailing situation. We are building socialism under the most difficult circumstances which are importantly related to the imperialists' persistent and atrocious maneuvers.

The imperialists and reactionaries are applying political and military pressure on us and indiscriminately waging economic blockade maneuvers in an attempt to isolate, suffocate, and crush our socialism. Thus, they are frantically running wild for new war provocation maneuvers. Today the situation on the Korean peninsula is in the danger of a touch-and-go nuclear war [ilchok chukparui haekchonjaeng wihome chohayo itta]. By staging various military exercises along the Military Demarcation Line [MDL], the U.S. imperialist bellicose forces and the South Korean puppet clique are thirstily watching for a chance to attack us. The grave situation, in which a mechanism to launch a war has already been cocked, demands that all of our functionaries and working people live and work in a revolutionary manner with the keen sense of alertness and a militant attitude of being mobilized so as to effect a great revolutionary upsurge in

the economic construction. All functionaries and people should unanimously rise with lofty revolutionary vigilance and firm resolution, and should advance and advance again to register ceaseless miracles and innovations in production and construction. This is the very demand of today's situation and of the revolution.

By effecting a great upsurge in socialist economic construction with a mobilized and alert attitude, we can assuredly overcome the prevailing difficult situation and vigorously accelerate the victorious advance of the revolution. Thus, we should brilliantly achieve the party's lofty intention to highly raise the people's living standard at an early date.

By keenly realizing the revolutionary intention of the great leader [yongdoja] Comrade Kim Chong-il, all functionaries and working people should live and work with a keener sense of alertness and with a more resolute attitude of being mobilized than ever before, and should effect a new revolutionary upsurge in domains of socialist economic construction.

What is more important in doing this is for all functionaries and working people to highly display the spirit of the red banner and the spirit of "the arduous march."

The spirit of the red banner and the spirit of the "arduous march," which were highly demonstrated in the Paektu forest, are the spirit of trusting and following the leader [yongdoja] under any adverse circumstances and of defending the nerve center of the revolution with one's life and with loyalty and filial piety; are the revolutionary spirit of self-reliance to carry the revolution to the end through arduous struggle without seeking comfort, and are the spirit of revolutionary optimism to overcome all difficulties without defeatism and wavering under any arduous circumstances. Only when we cherish this revolutionary spirit, can we work with the attitude of alertness at any time and any place and effect an upsurge in production and construction by courageously overcoming various difficulties and trials.

Functionaries and working people should firmly arm themselves with the Seventh Regiment's death-defying spirit of defense and with the spirit of "arduous march," which were displayed during the days of arduous anti-Japanese revolutionary struggle. They should thoroughly embody these spirits in today's solemn struggle to implement the party's revolutionary economic strategy.

At the same time, we should always inspire ourselves with the intention of the great leader [yongdoja] Comrade Kim Chong-il to encourage us to live today for the sake of the future, instead of living today for the sake of today. Thus, we should embroider each day and each

hour with most valuable and brilliant feats by living and working in a revolutionary manner without even a moment of an easygoing and relaxed attitude.

The militant spirit of functionaries and working people, who live and work with a mobilized and alert attitude, should be fully displayed in the practical struggle to implement the party's economic strategy.

Functionaries and working people should dedicate all of their energy and wisdom to the struggle to brilliantly accomplish the behest and teachings given by the respected and beloved leader [suryong] Comrade Kim Il-song to their respective domains and units, as well as the party's militant tasks. In particular, economic guidance functionaries should carry out economic organizational work in a responsible manner worthy of masters by thoroughly cherishing resolute determination to accomplish economic tasks assigned by the party. Functionaries should ponder and ponder again the tasks assigned them in order to accomplish them, and should carry out all works in an exemplary manner with lofty political awareness, extraordinary ideas and a revolutionary driving force.

All working people should credibly defend their revolutionary outposts with a sense of responsibility and awareness worthy of masters, and should devotedly work without wasting a second or a minute.

Thus, they should normalize the production at a high level in all domains of the national economy and should accomplish the state plans everyday, every 10 days, and every month, without fail.

Enhancing the role of organizations of the popular government at each level is very important in effecting a great upsurge in socialist economic construction with a mobilized and alert attitude.

Functionaries of organizations in the popular government at each level should deeply mingle with the working people and should vigorously carry out the political work by sharing joys and pains with the workers so that they always have an alert attitude in living and working in a militant manner. Thus, functionaries should lead the masses by personal example. At the same time, functionaries should guide and control [chido tongje] all domains and units of the national economy so that they more strictly adhere to the revolutionary order and discipline and voluntarily observe state laws and regulations.

Thus, they should make the spirit, which was demonstrated during the great Chollima upsurge period, overflow in the whole country so that constant miracles and innovations are registered in production and construction.

Let us all advance and advance again and struggle and struggle again by upholding the leadership of the great Comrade Kim Chong-il and by vigorously flying the red banner of revolution. Thus, let us effect a great upsurge once again in socialist economic construction.

DPRK: NODONG SINMUN Praises Kim Chong-il's Work on Architecture

SK2105092596 *Pyongyang KCNA in English*
0848 GMT 21 May 96

["Highly Important Guideline Indicating Road of Development of Architecture of Our Era" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 21 (KCNA) — NODONG SINMUN today carries an article contributed by Hong I-pyo, director of the Paektusan Architecture Institute, on the occasion of the fifth anniversary of the publication of the great leader Comrade Kim Chong-il's famous work "Theory on Art of Architecture" (May 21, 1991).

The work is a library of the art of architecture of our era and a great program clearly indicating the road of the creation of the chuche-based architecture, the author of the article says.

Comrade Kim Chong-il said:

"The chuche-based theory of architecture is a most scientific and revolutionary doctrine of architecture and a great program of architecture for the creation of the architecture of socialism and communism which can thoroughly meet the requirement of the chuche era and the aspiration and demand of the popular masses."

The work shines as an immortal book of architecture of our era as it comprehensively includes the mission of the chuche-based architecture, the basic principle on which the working-class party should consistently take hold in the creation of architecture, the theory on creation, the original idea and theory on forming architecture, the position and role of architects, the method of guidance over architecture and others.

The attraction and significance of the work lies in the fact that it clearly indicates the road the architecture of socialism and communism should follow for the first time in the human history of architecture and gives comprehensive answers to all the matters raised by the architecture practice of our era, the article notes.

The leader of the working class puts forward the correct idea of architecture and leads the creation of architecture with his extraordinary organisational ability.

The work clarifies the law governing the development of the architecture of socialism and communism by

the leader, thus becoming a precious guideline for the development of the art of architecture of our era.

The ideas and theories set forth in the work including the idea that architecture, a product of social history, comprehensively reflects human life and thoroughly assumes the class nature, the idea that the popular masses can hold the position as the master of the art and creation of architecture and play the role as such only in socialist society, the idea that the basic mission of the socialist architecture lies in successfully providing the popular masses with working, living and hygienic conditions and the idea that the chuche-based architecture, a man-centred architecture, has the socialist content and national form, are the precious ideological and theoretical wealth which gives perfect answers to all the matters arising in the development of the chuche-based architecture of our era.

The respected General Kim Chong-il has long since led the creation of our architecture and opened a great heyday of the chuche-based architecture unprecedented in the world history of construction, the article notes.

DPRK: KCNA Marks Day of Builders, Describes Construction Projects

SK2105094796 *Pyongyang KCNA in English*
0900 GMT 21 May 96

[FBIS Transcribed Text] Pyongyang, May 21 (KCNA) — May 21 is the day of builders in Korea.

On this holiday, the working people of the country are expressing deep reverence for the great leader President Kim Il-song, who broke the ground for the River Potong improvement project 50 years ago on today's date.

The new history of construction started that day in Korea.

The capital city of Pyongyang, big and small towns and such monumental edifices as powerful metal complexes, large machine building and power bases, chemical industrial centres and modernly-equipped fishery stations built in all parts of the country are closely linked with the efforts made by President Kim Il-song for the prosperity of the country.

Many of his grand plans of construction were successfully fulfilled in the 1970s under the guidance of the great leader Comrade Kim Chong-il.

In that decade, Chollima, Nakwon and other streets made their appearances and many monumental edifices of modern architectural style including the Korean Revolution Museum, the Victorious Fatherland Liberation War Museum, Mansudae Art Theatre, April 25 House

of Culture, Pyongyang Indoor Stadium and Pyongyang Metro were built in Pyongyang.

The International Friendship Exhibition of national architectural style was constructed in a Mt. Myohyang area, the Kumsong tractor works in Kangso District, Nampo Municipality, and mechanized and automated long-distance belt-conveyers laid in Unyul, Komdok, Haeju and Nampo.

An unprecedented success has been achieved in construction on the basis of the powerful independent socialist economy in the 1980s.

In the years, the 170-metre-high tower of the chuche idea and the 60-metre-high Arch of Triumph, the Grand People's Study House, the Mansudae Assembly Hall and the 150,000-seat May Day Stadium and other buildings which reach the highest level of architecture and add lustre to the Workers' Party era appeared one after another in Pyongyang.

Phyongsong, Nampo, Chongjin, Sinuiju, Tanchon and other towns and villages renewed their looks.

Ore dressing plant No. 3 with ten million-ton capacity was built at the Komdok mining complex in one year and the second-stage project of the Kim Chaek iron and works complex, 252-kilometre-long northern railways and other industrial projects were completed, increasing the nation's economic dynamism considerably.

It was in the decade that the gigantic West Sea barrage was constructed for five years with an investment of four billion dollars.

During the third seven-year plan (1987-1993) more than 11,000 industrial projects were completed, dwelling houses for one million families and 3,200 educational, cultural, health and public service facilities built, demonstrating the scope and speed of construction in Korea.

Thanks to the grand ideas and bold and ambitious operations of Comrade Kim Chong-il, who has developed President Kim Il-song's chuche-based architectural ideas, the monument to the party foundation, Chongyu Bridge, Kumnung Tunnel No. 2 and other monumental structures and new residential quarters were built in recent years, so that the people have been provided with a more cultured and happier life.

DPRK: Adherence to Revolutionary Principle Urged

SK2105101296 Pyongyang MINJU CHOSON in Korean 8 May 96 p 2

[Article by Kim Chang-hyok: "Consistently Adhering to the Revolutionary Principle Is a Basic Requirement for Carrying Out the Socialist Cause"]

[FBIS Translated Text] In his historic work "The Workers Party of Korea [WPK] Is a Party of the Great Leader Comrade Kim Il-song," the great leader [widaehan yongdoja] Comrade Kim Chong-il has again clearly revealed that consistently adhering to the revolutionary principle is a basic requirement for carrying out the socialist cause.

The great leader [widaehan yongdoja] Comrade Kim Chong-il has pointed out:

"Consistently adhering to the revolutionary principle in carrying out the popular masses' cause of independence, the socialist cause, is an important problem related to the destiny of the revolution."

Adhering to the revolutionary principle in socialist construction means defending and implementing the popular masses' basic demands and interests to the end.

Consistently adhering to the revolutionary principle in carrying out the socialist cause is an important problem related to the destiny of the socialist cause.

Whether the popular masses' cause of independence, the socialist cause, is carried out successfully, is linked to an important degree to how the revolutionary principle is adhered to.

Consistently adhering to the revolutionary principle is a decisive guarantee to complete the socialist cause to the end.

A socialist society is a society that has embodied the people's inherent demand for removing some people's exploitation and oppression of other people.

The socialist cause in a country is carried out under endlessly changing environments and conditions. It is also a long-term cause that is carried out through many generations.

There can be no change in the popular masses' basic demand and position for achieving independence no matter how many generations may change hands in the course of socialist construction and no matter how much the environments and conditions of the struggle may change.

The course of socialist, communist construction is practically that of completely achieving the popular masses' independence.

Therefore, if we are to complete the popular masses' cause of independence to the end, we must consistently adhere to the revolutionary principle on defending their independence.

The socialist cause is differentiated from other social movements because of this revolutionary principle and is cultivated based on its justness and vitality.

Adhering to the revolutionary principle leads to defend the basic interests of the revolution and achieve a victory in the revolution without deviation. And, backing away from the revolutionary principle leads to abandon the basic interests of the revolution and suffer a defeat in the revolution.

Consistently adhering to the revolutionary principle is a fundamental requirement for carrying out the socialist cause, because it leads to complete the socialist cause to the end.

Consistently adhering to the revolutionary principle is also a firm guarantee to crush the imperialists' antirevolutionary, antisocialist maneuvers.

The socialist cause always entails serious confrontation with the imperialists.

Ever since socialism was born on earth, the imperialist have all along desperately made every effort to annihilate the socialist cause, considering it to be a thorn in their side. In particular, the antisocialist maneuvers by the U.S. imperialists and other modern imperialists have become extremely cunning and shameless.

Today, how to crush the imperialists' antisocialist maneuvers is a vital issue in carrying out the socialist cause.

We must unchangingly adhere to the revolutionary principle if we are to crush the imperialists' antisocialist maneuvers.

Historical experiences show that if the people fail to adhere to the revolutionary principle, they will be deceived by the imperialists' antisocialist maneuvers, and socialism will undergo change and frustration.

Among the countries where socialism was being built, because they did not have sufficient faith in socialism and had no firm working class-oriented position, some countries were shaken by the temporary obstacles on the way to building socialism, bowed to the imperialists' pressure, and gradually conceded and abandoned the revolutionary principle. These countries, seized with a fantasy on capitalism, completely ignored the revolu-

tionary principle, and fully adopted the capitalist political methods and capitalist economic management methods.

They, seized with a fantasy on imperialism, bowed to the imperialists' pressure and ignored the revolutionary principle, and, as a result, socialism was frustrated, and capitalism was revived.

Consequently, a step back from the revolutionary principle led to 100 steps back and the painful catastrophe of the collapse of socialism.

Historical facts clearly prove that firmly maintaining the revolutionary principle is a fundamental requirement for crushing the imperialists' antisocialist maneuvers and defending the socialist cause.

Our party presented consistently adhering to the revolutionary principle as a fundamental requirement for carrying out the socialist cause and has thoroughly implemented the revolutionary principle in revolution and construction.

Fidelity to the revolutionary principle is ensured by the working-class party's loyalty and faith and the party's will to carry out the socialist cause to the end.

The great leader Comrade Kim Il-song led our party and revolution to a victory with boundless faithfulness to the popular masses' cause of independence, the chuche socialist cause; unwavering revolutionary fidelity; and an iron will.

Under the wise leadership of the great leader [widaehan suryong], our party has resolutely adhered to the revolutionary principle in socialist construction and consistently implemented the revolutionary lines and policies.

Our party has accelerated revolution and construction and actively and sagaciously overcome the rapidly changing situation with endless creations and innovations in compliance with the demands of the developing times. Even while doing so, it has not stepped back one bit from the basic interests and fundamental principles of the revolution but firmly adhered to the revolutionary principle and revolutionary lines.

High creativity and sagaciousness based on the revolutionary principle and consistency in lines and policies: They are important principles on leadership and arts of leadership that our party has adhered to in revolution and construction. They are also characters of our party's revolutionary lines and policies.

Because of this leadership of our party, which has consistently adhered to the revolutionary principle in the entire course of our people's revolutionary struggle, our people have been able to highly fly the socialist

banner and vigorously march forward along the single revolutionary road despite the unusually complicated and tense environment.

Thanks to our party's principled struggle, the various imperialists' subversive and destructive maneuvers have been thoroughly smashed in our country and the socialist cause has been firmly safeguarded. Even when an unexpected complex situation was touched off within the communist movement, the socialist cause has been victoriously advanced in our country without the slightest degree of deviation.

Our party has never run off the revolutionary principle throughout the entire course of leading the revolution and construction nor has it run about in confusion without the principle and made any error in its policy.

Since our party consistently maintained the revolutionary principle in socialist construction, our revolution has been able to victoriously advance along the single road of socialism without vicissitudes and deviation even under difficult conditions.

With consistency in our party's revolutionary principle, line and policy, the popular mass-centered socialism of our own style has become our people's firm faith and has taken root in our people's living.

Our people absolutely trust our party, which has been confidently leading the revolution and construction, and have entirely entrusted the party with their destiny.

Today we are faced with a lofty historic task to courageously break through the prevailing difficult situation by firmly maintaining the revolutionary principle and by living and unswervingly fight with the spirit of "the arduous march." Thus, we should brilliantly accomplish the *chuche* revolutionary cause by effecting a new turn in socialist construction.

All functionaries and working people should firmly arm themselves with and thoroughly realize our party's idea and theory on consistently maintaining the revolutionary principle in carrying out the socialist cause. Thus, we should unswervingly defend, protect, and glorify socialism of our own style.

DPRK: Article on Leader as Center of Political Life
SK1805093296 *Pyongyang NODONG SINMUN*
in Korean 27 Apr 96 p 2

[Article by Kang Song-taek: "The Leader is the Father of Political Life"]

[FBIS Translated Text] The loftiness of *chuche*-type revolutionaries' mental and moral features lies in the fact that they hoard in their minds loyalty to the leader [suryong] as their revolutionary sense of obligation.

A revolutionary sense of obligation toward the leader [suryong] is a noble ideological feeling based on the firm perception that the leader is the father of sociopolitical life.

The Great Leader [yongdoja] Comrade Kim Chong-il has indicated: "... Our leader [suryongnim] is our teacher and the father of our political lives."

What is most precious for human beings is their lives. Human beings deem it their obligation and noble attribute to respect their parents and to attend to them with filial piety.

Man has not only a physical life, but also a sociopolitical life. Physical life is the life of man's organism while sociopolitical life is his life as a social being.

For a man, his physical life, as well, is precious, but what is more precious is his sociopolitical life. Man is a social being. This is precisely man's inherent nature. The inherent life of a man, a social being, is precisely his sociopolitical life. If a man loses his sociopolitical life he is like a dead body socially even though he is alive. The life of such a man is tantamount to the life of an animal. One's physical life ends with the termination of one's individual lifetime, but one's sociopolitical life enjoys immortality along with social collectives.

Political life, which is indeed precious for human beings, is not a life which was born like physical life. The father of one's political life is not one's parents who gave one's physical life, but is precisely the leader [suryong] who is the center of sociopolitical collectives.

The reason we say that the leader [suryong] is the father of political life is that it is none other than the leader [suryong] who bestows a noble political life upon revolutionaries and the people and because it is also precisely the leader [suryong] who defends and look after that political life. We cannot think of revolutionaries' life even for a moment apart from the leader [suryong].

The leader [suryong] is the matrix of life [saengmyongui moche] which bestows a precious political life upon revolutionaries and the people.

All organisms have their matrices [moche] which bestowed life upon them. The matrix of man's physical life is his parents while the matrix of his political life is precisely the leader [suryong]. Revolutionaries receive their physical life from their parents, but receive their political life — which is incomparably more precious than their physical life — from the leader [suryong].

Sociopolitical life is, by nature, the life which man is to possess when he becomes a member of sociopolitical

collectives. An individual's sociopolitical life forms part of the life of sociopolitical collectives. The center of life in sociopolitical collectives is precisely the leader [suryong]. The existence and activity of an organism cannot be thought of apart from the center of life. Likewise, apart from the leader [suryong], we cannot mention the life and might of sociopolitical collectives.

It is none other than the leader [suryong] who rallies men into one sociopolitical organism by making them conscious and organizing them. It is also none other than the leader who elucidates the aspiration and demands of sociopolitical collectives by presenting revolutionary ideologies and who wisely leads the struggle for the realization of these aspirations and demands.

Only on the strength of leader [suryong] can many thousands and scores of thousands of people grow up to be revolutionaries and lead a noble life. The political life that revolutionaries and the people possess as members of sociopolitical collectives is precisely the life bestowed by the leader.

The leader [suryong] is also the benefactor of life who protects and boundlessly glorifies the political life of revolutionaries and the people.

The leader [suryong] is the benefactor of life who not only bestows a noble political life on revolutionary fighters, but also defends and glorifies it forever. For organisms to maintain their existence it is imperative for them to take nutrition. Likewise, sociopolitical life, too, must be constantly nourished, because otherwise it cannot continue to exist.

The nutrition of sociopolitical life is precisely the leader's [suryong] revolutionary ideology. The leader, by presenting the revolutionary ideology, elucidates the road ahead for revolutionaries' struggle and leads revolutionaries to possess noble ideological and mental features. Adding luster to political life, using the leader's revolutionary ideology as the water of life, is precisely revolutionaries' course of life.

Organizational life is the way to maintain the existence of political life. Through political organizations, including party organizations, the leader [suryong] not only looks after the political life of every one of the revolutionary fighters in a responsible manner, but also leads all of the people to voluntarily participate in organizational life, to temper themselves in a revolutionary manner, and to constantly cultivate themselves ideologically.

One's physical life can be looked after by other people in place of one's parents. However, one's political life cannot be maintained even for a moment apart from the

bosom of the leader [suryong], the matrix of political life.

Political life can be infinitely glorified and revolutionaries can enjoy a noble life only when political life is linked with the leader ideologically and organizationally. This is why revolutionaries infinitely respect and follow the leader as the father and benefactor of their life and why they deem it their lofty moral obligation and their greatest joy to be loyal and dutiful to the leader.

Today, our people are living up to being a great and noble people who display an infinitely lofty moral sense of obligation in upholding their leader. This noble mental and moral feature of our people is the most genuine and solid ideological feeling of our people, who have realized through the course of their revolution under the great leader's leadership that the leader is precisely the benefactor of their life.

The Great Leader Comrade Kim Il-song was the savior of destiny and the benevolent father who bestowed noble political life upon our people and who warmly looked after them in adding luster to it. Our people are the leader's fighters and the leader's disciples who have grown up under the leader's care.

It is our leader who, during the arduous days of anti-Japanese struggle, warmly fostered revolutionary fighters and who defended the political life of members of the "public welfare organizations" by burning the documents relating to these organizations. It is also none other than our leader who, right after national liberation, embraced our oppressed and contemptuously treated workers, peasants, intellectuals, and their sons and daughters in his bosom of love and fostered them to become pillars in building a new Korea even under the difficult and complicated situation.

It is our leader who built the church-oriented revolutionary party and the people's government and who built the popular mass-centered socialism of our own style in which all of the people enjoy an independent, political life to their hearts' content.

Indeed, countless are the efforts and energy that our fatherly leader has extended in fostering our revolutionary fighters in the long period from his embarkation on the revolutionary road to the last moment of his life, as well as the trust and love he has bestowed on our people.

This is why our people cannot repress their yearning for the leader, which is increasing with each passing day, and why they are burning with the firm determination to uphold the leader as the eternal father and to inherit and consummate to the end the church revolutionary cause pioneered by the leader.

Today, our people are becoming the most proud and happy people enjoying the good fortune of the leader [suryong] generation after generation by upholding the Great Leader [widaehan yongdoja] Comrade Kim Chong-il.

In his ideology, leadership trait, and virtue, the respected and beloved [kyongaehanun] Comrade Kim Chong-il is our people's benevolent father exactly the same as the great leader [widaehan suryongnim]. The respected and beloved [kyongaehanun] Comrade Kim Chong-il's firm will is to be responsible for and lead our people's fate to the end under any kind of difficult and complicated condition. Due to the respected and beloved [kyongaehanun] Comrade Kim Chong-il's politics of love and faith and his politics of benevolence, our people today all deeply possess a lofty political life, and are enjoying to their hearts' content the most precious and worthwhile life of a revolutionary and human being. It is the respected and beloved general [kyongaehanun changgunnim] who made all the people's hearts pulsate with the leader's [suryongnim] revolutionary ideology by presenting the slogan, "Let us all the more thoroughly arm ourselves with the Great Leader [widaehan suryong] Comrade Kim Il-song's revolutionary ideology!" It is also our general who enhanced the organizational living standard of our party members and workers through the lofty example of organizational conception and, through this process, warmly held our hands and led us to endlessly elucidate political life. The more they engrave in their hearts the respected and beloved general's [kyongaehanun changgunnim] love and benevolent affection — which can be seen in their everyday lives, statues and busts of revolutionary fighters erected throughout the country, including the Taesongsan Revolutionary Martyrs Cemetery, and schools and local names, shining with their names — the more all of us wholeheartedly feel with our hearts that the respected and beloved [kyongaehanun] Comrade Kim Chong-il's bosom is indeed the bosom of the great father [widaehan oboi] in which our people will live generation after generation. In the song, "I Cannot Live Apart From Your Bosom," which our people today enjoy singing, the firm faith of our people to live and wholly entrust their fate to the respected and beloved general [kyongaehanun changgunnim] is pulsating fervently.

Seeing the brutal realities among the people where capitalism has been restored and socialism ruined because they did not have a great leader [yongdoja] and were deprived of their precious independent and political life, our people are all the more piercingly feeling how fortunate they are to uphold the respected and beloved [kyongaehanun] Comrade Kim Chong-il.

Indeed, our people today are absolutely admiring and following the respected and beloved [kyongaehanun] Comrade Kim Chong-il as the sun of life and protector of their fate, and are defending with a do-or-die spirit the general by becoming guns and shells.

There is no one in this world who can be a match for the strength of our people, who are fighting by highly upholding the great leader [widaehan yongdoja] as a father [oboi] and impregnably uniting around the leader [yongdoja] through ideological will and integrity.

All the party members and workers must loyally uphold the respected and beloved [kyongaehanun] Comrade Kim Chong-il's ideology and leadership, and endlessly elucidate the lofty political life of a revolutionary on the road to eternally sharing their fate with the general.

DPRK: Kim Chung-nin Attends Meeting To Mark Potong River Project

SK2205041196 *Pyongyang KCNA in English*
0319 GMT 22 May 96

[FBIS Transcribed Text] Pyongyang, May 22 (KCNA) — Korea commemorated the 50th anniversary of the ground-breaking ceremony for the Potong River improvement work.

The great leader President Kim Il-song was busy with state affairs right after the liberation of Korea from the Japanese imperialist colonial rule. But he participated in the ground-breaking ceremony for the Potong River improvement work in Pyongyang on May 21, 1946 and took up the first spade. This was a great prelude to the history of the chuche-based grand nature-remaking work.

Builders and Pyongyangites turned out in the work as one to accelerate it. They finished the project in a matter of 55 days, overcoming difficulties, thus turning the river into a beautiful one. The Potong River was called a river of wrath and tears in the past.

With a view to conveying the immortal feats of the respected President Kim Il-song down through generations, the great leader Comrade Kim Chong-il saw to it that the monument to the Potong River improvement work was built on the top of Mt. Ponghwa and historic May 21 is commemorated as the day of builders every year.

A meeting was held in this regard on May 21.

Present there were Secretary of the Central Committee of the Workers' Party of Korea Kim Chung-nin, officials concerned and working people in the capital.

DPRK: Achievements in River Improvement Projects Noted

*SK2205085696 Pyongyang KCNA in English
0823 GMT 22 May 96*

[FBIS Transcribed Text] Pyongyang, May 22 (KCNA) — It is fifty years since the great leader President Kim Il-song took the first shovel at the ground-breaking ceremony of the Potong River improvement project.

Great progress has been made in grand nature harnessing projects of the nation, especially in river improvement projects.

There have been built a total of 17,000 kilometres of embankments and 10,000 facilities to conserve and utilise the rivers and streams, which brought damage to people for thousands of years. Trees have been planted on 12,000 hectares to protect the banks.

This is instrumental in protecting 425,000 hectares of arable land, residential quarters, industrial zones, railways and motorways from flood.

Barrages, hydro-electric power stations, reservoirs and canals have been built, so that tremendous achievements have been made in the efforts to protect land and make an effective use of the river water in the development of the national economy and the improvement of the people's living standard.

Especially, the Taedong River has turned into a large artificial lake with the world-famous west sea barrage, the Mirim, Ponghwa and Songchon barrages built one after another. The landscape along the river has become more beautiful. As a result, the river contributes better to the development of the national economy and the promotion of the people's welfare.

All the rivers and streams of the nation today are a source of joy and happiness for the people.

DPRK: Kim Chong-il Thanks Workers, Public Security Officers

*SK1805045296 Pyongyang KCNA in English
0321 GMT 18 May 96*

[FBIS Transcribed Text] Pyongyang, May 18 (KCNA) — The great leader Comrade Kim Chong-il sent thanks to officials and employees of O Ung-kwon enterprise who planted fresh flowers to make large decorations reading slogans "The great leader Comrade Kim Il-song will always be with us" and "Immortality" on Mansu Hill in Pyongyang and before the native home in Mangyongdae where the great leader President Kim Il-song was born, on the occasion of his birth anniversary.

He also sent thanks to the public security officers of the Chungsan County Security Department in South Pyongan Province who actively helped a coal mine.

DPRK: Scientist Develops Digital Control Devices

*SK2005103496 Pyongyang KCNA in English
0833 GMT 20 May 96*

[FBIS Transcribed Text] Pyongyang, May 20 (KCNA) — Kim Yong-in, director of the Control Machine Institute under the National Academy of Sciences, is a talented scientist who has greatly contributed to the development and introduction of digital control devices.

He has made great contributions to raising the science and technology of the country onto a world's level and to the chuche-orientation, modernisation and scientization of the national economy. This was a product of his talents and knowledge as well as a manifestation of his burning loyalty.

Hailing from Cheju Islet, he was embraced into the northern half of Korea during the fatherland liberation war when he was eight years old. Finishing a university after the Mangyongdae Revolutionary School, he became a scientist. The aim of his life is to contribute to the country with science and technology.

A large well-equipped chemical factory was built in the central area of the country in the mid-1970s. But automatic control devices from a foreign country were not operated properly. More competent foreign experts were said to be needed. At that time, a scientist, who was just in his thirties, appeared on the spot. He was Kim Yong-in. Foreign technicians said technology did not come from desire. But the young scientist put automatic control devices into operation in a less than one month and helped toward the commissioning of the factory and normalisation of production.

This was one of important scientific and technological achievements made by him at the beginning of his scientific pursuit. From this, he gained the precious experience that science is knowledge as well as the ideology and faith of man.

With this faith, he went to Chongjin, Hamhung, Anju and other leading industrial areas of the country to settle many pressing scientific and technological matters.

Working at the Control Machine Institute from 1984, he studied and completed digital control devices by electronic computers in a matter of two years. Then, he introduced these digital control devices and developed and finished a modern and efficient, new machine tool. He has become a doctor and associate professor and was awarded state orders under benevolent loving care and solicitude.

In April last year, the Great Leader Comrade Kim Chong-il, giving on-the-spot guidance to the National Academy of Sciences, called at the Control Machine Institute and expressed deep satisfaction with his great contributions to the prosperity and development of the country.

DPRK: International Fair Ground Being Built in Najin-Sonbong

SK1705122896 *Pyongyang KCNA in English*
0826 GMT 17 May 96

[FBIS Transcribed Text] Pyongyang, May 17 (KCNA) — An international fair is being built in Najin-Sonbong City, free economic and trade zone (FETZ) of the Democratic People's Republic of Korea.

It covers over 13,500 square metres at the entrance of Najin Port.

About 20 national wings will be arranged inside the building.

Exhibited there will be mainly electronic and automation products, light industry goods and foods.

Fax, telex and international telephone are available in each wing.

The latest-type heavy mining and generating equipment, various kinds of rolling stocks and construction machines will be displayed in the spacious area outside the building.

With the fair located at Najin Port, it will be convenient for foreign companies to transport commodities by ships, trains and lorries.

Over 30 percent of the project has already been carried out.

Many companies of different countries have already asked the authorities of FETZ to lease wings.

The FETZ authorities have accepted their requests and decided to provide favorable conditions to them.

DPRK: NODONG SINMUN Urges 'Intensified Ideological Education'

SK2005103696 *Pyongyang KCNA in English*
0843 GMT 20 May 96

['Intensified Ideological Education Called For' — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 20 (KCNA) — NODONG SINMUN in a signed article Sunday laid emphasis on conducting active ideological work with the *chuche*-based theory of ideology to strengthen the singlehearted unity of the revolutionary ranks around

the respected Comrade Kim Chong-il in every way and step up the accomplishment of the revolutionary cause of *chuche*.

The article quoted the Great Leader Comrade Kim Chong-il as saying:

"Firmly arming the popular masses with socialist ideology is a decisive guarantee for strengthening the motive force of socialist society and for enhancing its role, so as to move the revolution and construction forward at full steam."

The article further said:

Intensifying ideological work is an important guarantee for uniting the popular masses close around the party and the leader; it is an important demand for them to discharge their responsibility and role befitting the masters of the state and society as well as the driving force of socialism.

If ideological work among the people is not intensified after the establishment of the socialist system, it is impossible to prevent the revival of the remnants of the outdated ideology and poisoning by bourgeois ideology and culture and, finally, the ideological foundation of socialist society is destroyed. Our experience vividly proves that only when a working-class party strengthens ideological work steadily, can it harden the unity and cohesion of the popular masses around it and the leader and firmly defend and exalt socialism with their might.

Former socialist countries had not conducted ideological work among the people, considering that they could build socialism if they speed up economic construction. This fostered individual selfishness among the people and kept them from playing the role as the masters of the state. As a consequence, economic construction did not go well and all sectors of society were in stagnation.

Intensifying ideological work is an important way of leading the popular masses to stubbornly fight for the victory of socialism with conviction of certain victory and revolutionary optimism.

No one on earth can match a man who is prepared for death. Let us see who will win finally. With this confidence and revolutionary optimism the Korean people are firmly defending the banner of socialism, the banner of revolution, resolutely destroying the challenge of the imperialists.

Led by Comrade Kim Chong-il, a great thinker and theoretician and ever-victorious, iron-willed brilliant commander, the politico-ideological position of Korean-style socialism is invincible. No force on earth can arrest the advance of our powerful socialism relying on the strong driving force, added the article.

DPRK: Imperialist 'Ideological and Cultural Infiltration' Decried

*SK2005103396 Pyongyang KCNA in English
0827 GMT 20 May 96*

["Imperialists' Ideological and Cultural Infiltration Under Fire" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 20 (KCNA) — However hard the imperialists and the reactionaries may try to castigate the ideological education in socialist society and justify their anti-social and reactionary ideological inculcation that benumbs the sound ideological consciousness of the people and makes the capitalist world a deformed and animal world, they will never be successful, stressed an article of NODONG SINMUN May 19.

The article criticised the shameful false propaganda of the imperialists and reactionaries describing the ideological education in socialist society as "uniformness" and "ideological cramming".

It pointed out that the bourgeois propaganda is actually an ideological inculcation that hinders the development of independent ideology of the people and turn the masses into ideological and mental cripples who blindly follow the rule of capitalism.

The bourgeois propaganda is mainly directed to making the working masses fail to see through the reactionary nature and corruptness of the capitalist system and blindly obey capitalist exploitation.

They make up non-scientific and frivolous religious and philosophical doctrines, with which they make the working masses meekly accept their exploited and oppressed position and obey the destiny as slaves of capital.

Along with it, they instill the mode of existence based on individualism and the jungle law into the minds of the people, thus converting them into animal-like beings who do not hesitate to do anything for carrying into practice their own interests and objectives.

The bourgeoisie are covering up the class contradictions of capitalist system and loudly propagating its "advantages" among the people, so as to paralyze their class consciousness.

Claiming that capitalists are "faithful workers" and "beneficial beings" offering material wealth to society, they are beautifying the capitalist employment relations as labor-management relations based on "free contract" and as "equal relations".

The imperialists' loud advertisement about "advantages" of capitalist society and "effectiveness" of the capitalist

market economy are intended to implant the principle of non-resistance in the minds of the people and make them obey the exploitation by the capitalist class.

DPRK: ROK Herb Doctors on Strike; Students Boycott Classes

*SK1805045696 Pyongyang KCNA in English
0323 GMT 18 May 96*

[FBIS Transcribed Text] Pyongyang, May 18 (KCNA) — Doctors of 12 Korean medicine rooms in South Korea tendered their resignation and entered a sit-in struggle on May 14 in protest against the examination of qualifications for Korean medicine manufacture, said a radio report from Seoul.

The strike of herb doctors at Kyonghui University on May 13 was joined in by herb doctors at university hospitals throughout South Korea.

Meanwhile, over 3,900 students of 11 Korean medicine colleges and universities including Kyonghui and Tongguk Universities refused to take lessons from May 15 in protest against the examination of Korean medicine manufacturers forced by the puppet clique. They made public a statement and declared they would continue their struggle till their demand is met.

DPRK: Rice Transplanting Begins in Rural Villages

*SK1805103896 Pyongyang KCNA in English
0817 GMT 18 May 96*

[FBIS Transcribed Text] Pyongyang, May 18 (KCNA) — Rice-transplanting has begun in rural villages throughout Korea.

Cooperative farms across the country have grown strong rice seedlings even in unfavourable spring weather condition this year.

The cooperative farmers started to transplant rice seedlings all at once in right time to do farming work on a scientific and technological basis as required by the chuche farming method.

The agricultural workers in plains of the western areas including Yonbaek, Chaeryong, Yoldusamchholli are overfulfilling their daily rice-transplanting plans by increasing the operation rate of rice-plucking, rice-transplanting and other machines, giving priority to ploughing and harrowing.

DPRK: Pak Song-chol Attends Meetings To Award Titles to Plants

SK2205012096 *Pyongyang Korean Central Broadcasting Network in Korean*
2200 GMT 18 May 96

[FBIS Translated Excerpt] A title of laureate guards was conferred on the printing plant of the Foreign Languages Press Group, the Nungnado export clothing plant, the Taedonggang power complex, the Pupo seashore cultivation plant, and the Chongjin tractor gadget plant, respectively.

Meetings to confer the title of laureate guards were held at the sectors concerned.

Present at the meetings were Comrade Pak Song-chol, member of the Political Bureau of the Central Committee of the Workers Party of Korea and vice president; functionaries concerned; and employees of the plants and complexes.

After a decree of the DPRK Central People's Committee on awarding the title of laureate guards was read at the meetings, a letter of commendation and a flag of laureate guards were awarded to the plants and complexes which contributed to expediting the country's economic construction and promoting the people's livelihood by overfulfilling entrusted national economic plans through consolidating material and technical foundations, regularizing and standardizing the management of plants, and vigorously waging the mass technical movements, upholding high the party's leadership and displaying the revolutionary spirit of self-reliance and fortitude. Orders and medals were also awarded to exemplary functionaries and employees.

At the meetings, discussions of resolution took place. [passage omitted]

DPRK: North Korean Vessel Makes 100 Navigations

SK2205050196 *Pyongyang KCNA in English*
0411 GMT 22 May 96

[FBIS Transcribed Text] Pyongyang, May 22 (KCNA) — The trade cargo ship "Taehongdan" of the Democratic People's Republic of Korea has successfully made a hundred navigations without mishap.

The vessel, named after a revolutionary battle site, made the first sailing in September 1980.

Over the past 15 years, it transported hundreds of thousands of tons of freight including gifts of the great leader President Kim Il-song to forty countries, contributing to strengthening solidarity among the world people.

The crew have also trained sailors for the development of the nation's marine transport.

The Central Committee of the Workers' Party of Korea sent a message of thanks to the crew for their successful transport services.

DPRK: Korean National Music, Folk Music Fostered

SK1705132596 *Pyongyang KCNA in English*
0845 GMT 17 May 96

[FBIS Transcribed Text] Pyongyang, May 17 (KCNA) — The Democratic People's Republic of Korea has consistently maintained the principle of developing musical art with the main emphasis on national music.

National music is a traditional one which has been long created, inherited and developed, reflecting the peculiarities and characteristics of national life.

Only national music is congenial to mental qualities, feelings and tastes of a nation.

In the past, some people advocated "world music", claiming that there was no boundary in music.

This is a sophism based on the reactionary viewpoint of modern bourgeois theoreticians who advocated cosmopolitanism.

Since there exist countries and nations and national feelings and emotions are different, there must be a boundary in music too.

The development of music in each country is found in developing national music peculiar to the ideological feelings and sentiments of its people.

The development of traditional national music is extensively encouraged in Korea.

Thus, thousands of folk songs were discovered and scored. Among them are "Arirang," "Broad Bellflower" and "Boating Song at Popsongpo".

These folk songs, representing excellent musical talents of the nation, are arranged in publications including books "Collection of Korean Folk Songs," "Collection of Selected Folk Songs of Korea" and "Materials on Study of Folk Songs".

National musical instruments, which had once disappeared, have been newly studied and manufactured and more than 10 national musical instruments improved to be over 30.

National musical instruments of Korea are so rich in volume and so soft in tone that they are praised by

the world's people as "chuche-based tone color" and "mysterious, refined tone".

In particular, after seeing performances of oknyugum with clear tone color and modern modulators, foreigners were unsparing of their praise: Appearance of a miraculous instrument, which opened up a new representation world of musical art.

Folk song musical pieces based on national melody and forms of stage performances with a strong national character have been extensively created and forms of national music performance including the vocal solo and kayagum ensemble produced.

Chuche-based national-western mixed orchestra has been completed as a distinguished masterpiece in the development of national musical art.

All this is ascribable to the wise guidance of the Great Leader Comrade Kim Chong-il, a genius of literature and art and master of music.

National musical art of Korea is in full bloom.

South Korea

ROK: Official: DPRK Prime Minister Kang 'Under House Arrest'

SK2105001196 (Internet) *The Joong-Ang Ilbo* WWW in English 21 May 96

[FBIS Transcribed Text] Kang Song-san, North Korea's Prime Minister, is rumored to be under house arrest after being branded as harboring anti-communism ideology.

A South Korean government official stated Monday (20 May), "There are intelligence reports that Kang is under house arrest at the Prime Minister's official residence in Pyongyang. He was reportedly criticized as being a 'corrupt element tainted by capitalism' after proposing Chinese-style liberalization to North Korea's de-facto leader Kim Chong-il."

ROK: Kim Yong-sam on Reunification, Korean Great Power Status

SK1605131496 Seoul YONHAP in English 1036 GMT 16 May 96

[FBIS Transcribed Text] Seoul, May 16 (YONHAP) — President Kim Yong-sam said Thursday (16 May) his wish is to see the Korean Peninsula reunified and to further develop the country to a point where it would be able to join the G-7 in the 21st century.

The president was speaking at a reception he hosted at the Nokjiwon Garden of Chongwadae (presidential offices) for the 383 visiting Japan-area members of the Advisory Council on Democratic and Peaceful Unification.

Boasting that "our country, too, has grown big," President Kim suggested that from now on "five powers" including South Korea be used instead of the "four powers" in referring to world powers.

"At the time of the conclusion of the Korean armistice, we were powerless," Kim said. "Now, however, we have a powerful military and have become a proud country thanks to the expansion of diplomatic horizon in the world community."

He said he would carry on history-rectifying and reformative programs steadily, dealing firmly with any ones involved in corruption. "Besides, I will strive to ensure firmer national unity," President Kim said.

ROK: PRC's Import Tariff Cut Expected To Benefit ROK Exporters

SK2105013196 Seoul THE KOREA HERALD in English 21 May 96 p 8

[FBIS Transcribed Text] Beijing's April 1 slashing of import tariffs is expected to produce limited benefits for the Korean export sector, a government projection said yesterday.

China, which constitutes Korea's third largest export market, began levying the average 23-percent tariffs on imports, down substantially from the previous average rate of 35.9 percent.

But the change is mostly geared for intermediary materials including petrochemicals and steel and leaves out most consumer goods.

An excess of 100-percent tariffs on imported automobiles is still effective, and electronics too are subjected to high tariffs, clouding export prospect for Korean makers.

A forecast by the Ministry of Trade Industry and Energy (MOTIE) released yesterday, however, said the latest change will have a "positive" effect on the Korean export sector given the types of Korean goods bound for China.

The report based its optimism on the fact that Korea's 40 leading export items to China are newly subjected to bigger-than-average tariff cuts.

Beijing's move means an average 34.8-percent cuts on tariffs on the all imports, against the slightly larger 36.8-percent cut applicable to Korea's 40 leading items.

"Petrochemicals and steel sectors are expected to benefit the most on China's stepped-up export drive," said the report, adding, "But consumer goods exports will lose their edge as China seeks to produce their own."

Korea's five leading exports to China are in the order of chemicals, leather, synthetic fiber, cold-rolled steel and oil products, according to MOTIE.

Cold-rolled steel exports to China more than doubled in the first quarter of the year to \$73.5 million.

Korea has in the last few years consistently posted a sizable trade surplus against China. Following the calendar 1995 trade surplus of \$1.7 billion, the figures was earlier projected to jump to at least \$2 billion in the current year.

ROK: Prime Minister Comments on Stability of DPRK Regime

AU1705174496 Budapest NEPSZABADSAG
in Hungarian 16 May 96 pp 1,3

[Interview with Yi Su-song, prime minister of the Republic of Korea, by Pal Lederer; place and date not given: "Yi Su-song: The South Korean Market Is Open"]

[FBIS Translated Excerpt] Yi Su-song, prime minister of the Republic of Korea (ROK), is to arrive for an official visit to Hungary today. Yi, who is on a European tour, replied to NEPSZABADSAG's exclusive questions in writing.

[Lederer] What do you expect from the proposal jointly made by Korean President Kim Yong-sam and U.S. President Clinton on a quadrilateral meeting with North Korea and China on easing the tensions on the Korean peninsula?

[Yi] Unofficially we have been informed that North Korea is studying our proposal on quadrilateral talks; we do not yet know if they will accept it. The ROK Government's stance is that the two affected sides, namely South and North, should solve the issues to do with peace on the Korean peninsula. If we manage to hold these quadrilateral talks, peace on the Korean peninsula could become stabilized; all this could result in a significant improvement in relations between the South and the North.

[Lederer] The Japanese defense minister has suggested that the involvement of Moscow and Tokyo in the Korean settlement could play an important and constructive role. Would you find this kind of meeting of six sides possible?

[Yi] The directly affected sides, namely South and North Korea, and the other two countries that have signed the cease-fire agreement, namely the United States and China, are to participate in the quadrilateral talks. The ultimate goal of these talks is to have the cease-fire agreement replaced by an agreement ensuring a lasting peace on the Korean peninsula; therefore, in my view,

it is unnecessary to have the involvement of Russia and Japan.

[Lederer] What are your views on the North Korean domestic situation? Is the Pyongyang regime on the brink of collapse?

[Yi] At the moment, North Korea is in a very difficult economic situation. Since 1990, the economy has been in constant crisis and the ensuing food and energy supply problems are already endangering the stability of the system.

What characterizes the North Korean political situation is that the person of the top leader is not officially defined. This is why some North Korea experts are claiming that there is a power struggle. However, the way we see it is that Kim Chong-il [DPRK leader] is in firm control of power. According to Western political analysts, the defection of certain members of the North Korean leadership, the difficult economic situation, and the postponement of the official succession indicate the beginning of the collapse of the North Korean system. However, the situation there is so obscure that no one can make safe predictions about their future. Owing to the closed and rigid nature of the society, it is even possible that they themselves are unaware of what consequences the current economic difficulties could have. As for us, we are taking steps to reduce the negative effects a sudden collapse of the North Korean system could have in North-East Asia to the minimum. [passage omitted]

[Lederer] Bilateral trade with Hungary is rather unbalanced, partly because of Korean customs and other type of obstacles. Is your government planning any easing of the conditions in favor of Hungarian exports?

[Yi] It is a fact that while bilateral trade has increased in the past years, the balance has been favorable for Korea all along. However, trade between the ROK and Hungary does not amount to a large proportion of either country's foreign trade. Therefore, if both countries make efforts to increase bilateral trade, the balance problems might also be solved.

I know that, according to some views, the imbalance in bilateral trade can be attributed to the Korean import restrictions. However, the Korean market is open to almost all types of goods and we apply equal conditions to all countries. Therefore, I believe that, if the Hungarian side increased its efforts to get a larger share in the Korean market, then the amount of Hungarian exports to Korea could be greatly increased.

ROK, Japan Business Leaders on Business Ties With DPRK*SK1805052796 Seoul THE KOREA HERALD in English 18 May 96 p 8*

[FBIS Transcribed Text] Top business leaders of Korea and Japan agreed Thursday [16 May] to promote joint participation in the six-nation Greater Mekong Subregion (GMS) development program and take concerted stance in their business relationship with North Korea.

Detailed methods of cooperation will be discuss at a bilateral business meeting in Tokyo in Nov. 1, said officials at the Federation of Korean Industries (FKI).

FKI Chairman Choe Chong-hyon and his Japanese counterpart Shoichiro Toyoda, chairman of Japan Federation of Economic Organizations, made the agreements during their meeting at the latter's office, they said.

Choe and Toyoda agreed in principle at the meeting that large businesses of the two countries would expand the destinations of their corporate collaboration beyond China to include the so-called Mekong River nations of Myanmar [Burma] and Vietnam.

Chairman Toyoda was quoted as saying that the Japanese companies would cooperate closely with South Korean firms in advancing to North Korea instead of trying to outdistance the latter.

Choe also expressed the views that although the Japanese firms' hurried investments in North Korea would help the isolated country's economy, it would be much better if Tokyo and Seoul take joint stance in North Korean economic cooperation.

The two also agreed to cosponsor Asia Neighbors Forum, aimed at promoting economic cooperation among the businesses of 15 regional countries, in Hakone, Japan, in Aug. 18-21, the officials said.

While in Tokyo, Choe delivered an address on Asian economic cooperation at an international forum held by NIHON KEIZAI SHIMBUN, in which he called for the establishment of an Asia Business Forum.

ROK: Shipment of DPRK-Assembled TV Sets Arrives in Incheon*SK1405061096 Seoul YONHAP in English 0537 GMT 14 May 96*

[FBIS Transcribed Text] Incheon, May 14 (YONHAP) — A shipment of 250 LG color televisions manufactured in North Korea arrived at the port of Incheon Tuesday [14 May].

Produced on a processing-on-commission basis at a factory in Pyongyang, the 20-inch sets, with the brand

name "Goldstar," were brought aboard the 3,700-ton vessel "Goodwill Bright," registered in Belize.

After clearing customs, the units will then be sent to LG's Kumi plant, where they will have new "made in North Korea" labels attached to them. Afterwards, they will be distributed to sales outlets nationwide.

An LG spokesman said that the company plans to introduce an additional 20,000 such TVs within this year.

ROK Business Groups Vying To Produce Color TVs in DPRK*SK2005043296 Seoul THE KOREA ECONOMIC WEEKLY in English 20 May 96 p 20*

[FBIS Translated Text] The nation's three major TV manufacturers are competing for production of color TVs in North Korea. The competition is closely related with their strategies not only to take advantage of cheaper labor but also to have bigger slices of the communist market.

However, they are taking different approaches toward the market.

Samsung was the first company to have secured a bridgehead for the market. In October last year, Samsung Electro-Mechanics shipped production facilities worth \$290,000 for speakers of color TVs to North Korea. From the latter half of this year, Samsung will introduce 5.57 million speakers for five years.

Samsung is focusing on parts production based on processing on commission.

An official of Samsung said, "We will increase the number of parts to be assembled in North Korea." In the long run, Samsung plans to produce finished products.

LG has become the first company to introduce color TVs assembled in North Korea to Seoul. In mid May, 250 color TVs arrived at the Incheon port.

"When considering physical distribution costs, there are not many differences in price," said an official of LG adding: "We can't find advantages so far."

In the long run, LG is seeking to have a home appliances plant in North Korea.

Even though Daewoo was the first company to advance into North Korea, the company is the last in manufacturing TVs there. At the end of April, Daewoo obtained an approval from the government to build a plant for color TVs and other home appliances. Investment will be around \$6.4 million.

Daewoo engineers are expected to visit the Nampo Industrial Complex next month.

ROK To Allow DPRK To Host Some Matches If Given 2002 Cup

SK1805062596 Seoul THE KOREA TIMES in English 18 May 96 p 2

[FBIS Transcribed Text] President Kim Yong-sam yesterday said that South Korea will allow North Korea to host some of the World Cup [WC] matches in 2002 if it wins the right to host the world football event.

Kim made the promise in a meeting with Haji Ahmad Shah [name as published], President of the Asia Football Confederation (AFC), Chong Mong-chun, vice president of FIFA and 14 other world football leaders at Chongwadae [presidential offices] yesterday morning.

"The 2002 World Cup in Seoul will be a historical event that will greatly contribute to bringing peace to the Korean peninsula and all over the world," Kim told the world football leaders who were visiting Korea to view the Afro-Asia Cup Soccer Competition to be held at Chamail Stadium in southern Seoul today.

The South Korean President advised the FIFA and AFC leaders to allow developing countries to host the World Cup and other international football events to help them realize their dreams and hopes for the future.

"I think this is true to the ideal of sports and can contribute to world peace and the development of mankind," Kim was quoted as saying.

The meeting was part of Kim's fervent efforts to help South Korea host the 2002 World Cup.

FIFA will vote to choose the venue of the WC between South Korea and Japan in its executive board meeting in Zurich, Switzerland, June 1.

In a special lecture sponsored by Korea University's graduate school of labor affairs Tuesday, presidential chief of staff Kim Kwang-il revealed that President Kim is so eager to host the games that he asks for help whenever he meets foreign leaders, sends personal letters and makes telephone calls to world leaders in an effort to boost Korea's chances.

Kim also disclosed that French President Jacques Chirac and other world leaders have been instrumental in supporting the South Korean bid, saying he is somewhat optimistic about hosting the games. The chief secretary said President Kim intends to share some World Cup games with North Korea for the cause of world peace.

President Kim thinks that if some World Cup matches are held in the North, the most isolated nation in the world, and many people enter the country to watch the

games, it will undoubtedly help permanent peace take root on the Korean peninsula," the secretary said.

ROK: North Korean Debt Estimated at \$11.5 Billion

SK1805040296 (Internet) The Digital Chosun Ilbo WWW in English 1205 GMT 17 May 96

[FBIS Transcribed Text] The Ministry of National Unification announced on Friday [17 May], that North Korea's foreign debt, as of the end of 1995, amounts to US\$11.5 billion. North Korea owes the following countries: Russia, US\$4.32 billion; China, US\$2.19 billion; Western Countries Group, US\$2.33 billion; Japan, US\$910 million; and other Western nations, US\$1.76 billion. The foreign debt makes up 54.2% of North Korea's GNP, which was estimated at US\$21.2 billion in 1994.

ROK: President Meets With Heads of Companies Investing in DPRK

SK1805035896 (Internet) The Joong-Ang Ilbo WWW in English 18 May 96

[FBIS Transcribed Text] It was confirmed Friday [17 May] that President Kim Yung-sam had held an unofficial meeting with Chong Chu-yong, the honorary chairman of the Hyundai Business Group, and Chang Chih-yok, the chairman of the Kohap Business Group. Both companies are involved in economic cooperation activities with North Korea. The meetings are worth noting not only because it is very rare for President Kim to hold a private meeting with the heads of conglomerates, but also because both Chong and Chang have visited Pyongyang in the past and are actively investing in North Korea.

ROK: KDI Report on 'Radical' North-South Unification of Economies

SK1705040596 Seoul THE KOREA TIMES in English 17 May 96 p 9

[FBIS Transcribed Text] A Korea Development Institute (KDI) report said it may take more than 20 years for North Koreans to reach 40-60 percent of the income of South Koreans. It said the most crucial issue following the reunification of the two Koreas is how to curb the migration of North Koreans to the South.

By giving economic incentives to the North, the government will be able to discourage North Koreans from fleeing to the South, it said. The South should expand investment, quicken privatization of state assets and help introduce a social security system in the North as part of the steps to increase employment of and boost income for North Koreans.

KDI economist Chon Hong-taek said a full-scale and radical approach is necessary in loosening price and trade controls, reforming the farming sector, privatizing state enterprises in the North if the two Koreas are to be reunified economically. His view deviates from the prevailing position inside the government that a partial and gradual approach is necessary for smooth economic integration.

Even if Seoul does not want sudden reunification, "we should formulate a scenario when there is no other choice but to quickly and comprehensively reform the northern economy," the economist said.

ROK: South, North Buddhist Organizations To Issue Joint Prayer

SK1605131396 Seoul YONHAP in English
1039 GMT 16 May 96

[FBIS Transcribed Text] Seoul, May 16 (YONHAP) — South and North Korean Buddhist organizations agreed Thursday [16 May] to issue a joint prayer on the Buddha's coming day on May 24.

The agreement was reached between the Buddhist Human Rights Committee of the South and the North Korean Buddhist Federation.

"We received on Thursday a message from the North Korean federation in which they said they support the text of a joint prayer we have worked out," an official of the Buddhist Human Rights Committee said.

He said the joint prayer will be released simultaneously on May 24 at Kilsang-sa Temple in Seoul, Munsu-sa in Pusan, Miruk Chong-sa in Kwangju, Kwangbop-sa in Pyongyang, Pohyon-sa at Mt. Myohyang and Pyohun-sa on Mt. Kumgang.

The joint prayer says in substance that South and North Korean Buddhist followers should strive in unity and with courage to materialize national unification under the three principles of independence, peaceful unification and national unity, the official said.

ROK: Tong-Yang Plans To Build Cement Silo in DPRK This Year

SK1505012796 Seoul YONHAP in English
0103 GMT 15 May 96

[FBIS Transcribed Text] Seoul, May 15 (YONHAP) — Tong-Yang Cement Co. plans to break ground for a cement silo in Najin-Sonbong port of North Korea under a joint venture with the North's External Economy Commission sometime this year.

Tong-Yang, whose officials visited the North twice last year, is nearing an agreement on technical details of

the silo building project after negotiations with North Koreans in Beijing earlier this year, company officials said Wednesday.

To carry out the 3 million-U.S.-dollar silo project, the cement manufacturer is planning to apply to the Ministry of National Unification for approval of the project as an inter-Korean venture.

Tong-Yang Cement is also planning to send a working-level survey team to North Korea to work on the cement silo.

Since Tong-Yang Cement engineers involved in the project have negotiated the technical details of the project with their counterparts from an enterprise affiliated with the North's External Economy Commission in Beijing, the project can begin as soon as it is approved by the National Unification Ministry, the officials said.

The cement silo project, if approved, would be the second South-North Korean joint project, following Daewoo's joint-venture plant in Nampo, which is now under test operation.

The joint venture was agreed on when Tong-Yang executives visited the North in last June and September. It was approved by the National Unification Ministry last September.

ROK: Seoul Daily Analyzes DPRK Failure To Open SPA Session

SK1905051096 Seoul TONG-A ILBO in Korean
19 May 96 p 26

[Article by reporter Mun Chol: "Why Does North Korea Not Open a Supreme People's Assembly Session?"]

[FBIS Translated Text] North Korea has not opened a Supreme People's Assembly [SPA] session since Kim Il-song died in July 1994. This may have caused an abnormal execution of the budget. A regular SPA session usually opens sometime between March and May; sums up the budget for the previous year and decides on the budget for the next. North Korea did not convene the SPA in 1950-1953, during the Korean war.

Instead of opening the SPA session in 1995, North Korea made public the results of the execution of the budget plan for 1994 in the 1995 edition of Korea Central Yearbook. Still, it did not make public the budget plan for 1996.

A majority of experts cite two reasons for North Korea's failure to open the SPA session: One is that it is difficult for the SPA, which has the right to elect the president, to open a budget session alone without electing the president, and the other is that North Korea does not like

to disclose its budgetary situation which has worsened further since Kim Il-song died.

As the Korea Central Yearbook noted, the budget surplus for 1994 was \$73,510,000, less than a half of the \$152,670,000 surplus for the previous year.

ROK: Cemetery for North Korean, Chinese Servicemen To Be Built

SK1505083096 Seoul YONHAP in English
0754 GMT 15 May 96

[FBIS Transcribed Text] Seoul, May 15 (YONHAP) — The Defense Ministry is creating a cemetery near the western front for North Korean and Chinese soldiers killed during the 1950-53 Korean war.

Remains of such servicemen scattered across the country will be exhumed and buried at the cemetery, a 3,200-pyong military plot of land (1 pyong equals 3.3 square meters) in Choksong-myon, Paju County, Kyonggi Province by August 31, Defense Ministry officials disclosed Wednesday.

The step is being taken to respect the remains of war casualties in compliance with the spirit of the Geneva Convention and to make it possible to repatriate them immediately when remain repatriation agreements are reached with other countries, according to the officials.

There are now 96 known graves of dead North Korean and Chinese troops in the country.

ROK: U.S. Pays 2 Million Dollars to DPRK for MIAs

SK2005134096 Seoul YONHAP in English
1048 GMT 20 May 96

[FBIS Transcribed Text] Seoul, May 20 (YONHAP) — The United Nations Command [UNC] in Korea, on behalf of the United States, handed 2 million dollars to North Korea Monday [20 May] as expenses for recovering the remains of American servicemen killed in the North Korean area during the 1950-53 Korean war.

According to the UNC, the delivery was made at Panmunjom by the UNC Secretary of the Military Armistice Commission to North Korean Col. Pak Im-su.

The United States and North Korea agreed in New York on last May 9 that Washington would pay 2 million dollars to North Korea for the excavation of the remains of dead American servicemen, and also that the two sides would have a working-level contact next month to form a joint excavation team.

North Korea has so far turned the remains of 162 dead American fighting men over to the United States.

ROK: U.S. Said Considering Closing Cultural Center in Kwangju

SK2005133896 Seoul YONHAP in English
1143 GMT 20 May 96

[FBIS Transcribed Text] Kwangju, May 20 (YONHAP) — The American Center in Kwangju may be closed down due to a financial reason, a South Cholla Province police officer said Monday [20 May].

"I understand a preparatory work will begin in six months from now to close down the American Center located at the Kwangju Women's Center at Yanggrim-tong," he said.

The police officer said one reason for shutting down the center is that the Internet service can take over the U.S.'s information function. "I was told that in addition to the center here, the American Center in Taegu is another target for closure," he said.

The talks of the center's possible closure come at a time when the center is under public attack in connection with Washington's role in the tragic Kwangju incident.

Timothy Moore, director of the center, said the U.S. Federal Information Service budget has been halved, adding, however, that this is no time to formally discuss its possible closure.

Another official of the center, noting that one third of the American centers in India have already been closed down in connection with Washington's "small government" policy, said it is true much talks are going on with regard to the fate of the American Center in Kwangju.

ROK Envoys in PRC, Neighboring Region To Meet in Beijing

SK2005064396 Seoul YONHAP in English
0622 GMT 20 May 96

[FBIS Transcribed Text] Seoul, May 20 (YONHAP) — South Korean envoys posted in China and the neighboring region will meet in Beijing Thursday [21 May] to coordinate the country's policies on China and ways to enhance economic cooperation between South Korea and China, Foreign Ministry spokesman So Tae-won said Monday.

During the two-day talks, the envoys will also discuss developments in the political situation in Northeast Asia and ways to help South Korean businessmen operate in China, So said.

The meeting will be attended by Ambassador to China Chong Chong-sok, Ambassador to Mongolia Kim

Chong-sun and consul generals in Shanghai, Hong Kong and Qingdao.

ROK: Editorial on PRC's Widened Territorial Waters Claims

SK1805040496 (Internet) *The Digital Chosun Ilbo*
WWW in English 1202 GMT 17 May 96

[Editorial: "China's Unjustifiable EEZ"]

[FBIS Transcribed Text] In an incomprehensible move, China has widened its territorial claims, redrawing its marine baseline in violation of International Marine Convention codes. The new boundaries include reference points which do not appear on international maps, and in some areas, even exceed the Mao Zedong line of 1975.

These measures are part of China's attempt to revitalize its fishing industry in the Western Sea, expanding its territorial waters and creating an exclusive economic zone (EEZ). If we simply let the Chinese have their way, our own fishermen will suffer tremendously. Going one step further, if we, along with China and Japan, would move from the current "flag country principle" of defining rights of fishing vessels, to a "coastal country principle" Korea's fishing territories will shrink drastically.

It becomes necessary, then, that we voice our opposition against China's actions. Our own government, for its part, should take counter-measures against those portions which are in violation to the International Marine Convention. Meanwhile, the Chinese government should enter into sincere discussion with us to seek out a fair solution, and should redraw their baseline accordingly. Failing all else, both sides will have no recourse but to seek out international intervention.

Among Korea, China, and Japan, there have been many incidents of forcing national maritime policies upon the others, damaging relations in the process. China threatens the order yet again, by unjustifiably redrawing lines to create its EEZ in a independent decision. Of course, there are differing opinions among the interested nations on how the boundaries of the EEZ should be set. Regardless, decisions need to be made according to the spirit and outlines of the International Marine Convention, and not by a unilateral declaration enforced with might.

ROK: Unification Attaches To Be Assigned to PRC, Japan Embassies

SK2005010996 *Seoul YONHAP in English*
0041 GMT 20 May 96

[FBIS Transcribed Text] Seoul, May 20 (YONHAP) — South Korea will assign unification attaches to its embassies in China and Japan during the latter half of the year.

A National Unification Ministry official said Monday [20 May] that an agreement had been reached with the Government Administration and the Foreign and Finance and Economy Ministries on the dispatch of such attaches to the two nations.

The government has stationed two unification attaches at its mission in Germany since 1991 to gather information on German reunification.

The unification attaches in China and Japan will chiefly collect information about relations between their host countries and North Korea, the official said, and will serve a term of three years.

ROK: Japan Said Tok-to Berthing Facilities Not To Prove ROK Control

SK1705131896 *Seoul YONHAP in English*
0721 GMT 17 May 96

[FBIS Transcribed Text] Tokyo, May 17 (YONHAP) — Japanese Foreign Minister Yukihiko Ikeda has insisted that the South Korean Government's ongoing construction of berthing facilities on Tok-to islet does not mean that Korea has established actual control of the small island in view of international law.

Ikeda's remarks were made Friday [17 May] at the lower house of the Diet, and are believed to be a reminder that the ongoing quay construction is not directly linked to dominion over the controversial islet as Korea is insisting.

Ryojo Kato, director general of the Foreign Ministry's Asian Affairs Bureau, also echoed Ikeda's words by saying that as long as one side persistently objects, the actual control is not established.

The director general also urged Japanese tourists to boycott Tok-to tour packages offered by Korean Travel Agencies since it is contrary to the Japanese Government's policy.

ROK: Deputy Foreign Minister To Attend Geneva Meeting on WTO

SK2005070696 Seoul YONHAP in English
0625 GMT 20 May 96

[FBIS Transcribed Text] Seoul, May 20 (YONHAP) — Deputy Foreign Minister for Economic Affairs Choe Tae-hwa will attend a meeting of senior officials from 14 major economic powers Thursday [16 May] to prepare for the first World Trade Organization (WTO) ministerial meeting. Foreign Ministry spokesman So Tae-won said Monday.

The meeting will be held in Geneva, Switzerland and is going to address ways to expedite ongoing maritime and telecommunications negotiations under the WTO framework.

Ambassador Son Chun-yong from South Korea's permanent representative office at the United Nations office in Geneva will also attend the meeting.

The participants will include the United States, Japan, Canada, the European Union, India, Brazil, Singapore, Australia, Argentina, Switzerland, Norway, New Zealand and Morocco.

ROK: Decision on ROK's OECD Membership Likely in Late July

SK1805053796 Seoul YONHAP in English
0249 GMT 18 May 96

[FBIS Transcribed Text] Seoul, May 18 (YONHAP) — The Organization for Economic Cooperation and Development (OECD) is likely to come to a final decision to accept South Korea as a member in late July, an official at the Ministry of Finance and Economy (MFE), said Saturday [18 May].

The official who asked not to be named quoted a senior OECD official as saying that OECD member countries have assessed the South Korean Government's initiatives at liberalizing its capital market positively.

South Korea recently pushed up the foreign investment ceiling in its stock market, revamped its financial industry and expanded the scope of deregulation in foreign exchange transactions.

The official expected that OECD's Committee on International Investment and Multinational Enterprises (CIME) and Committee on Capital Movements and Invisible Transactions (CMIT) will hold their second joint committee meeting in early July and will decide that there is no problem in Seoul's qualifications for OECD membership.

The seven OECD committees will complete deliberations on South Korea qualifications by early July and

the OECD council is expected to make a final decision on South Korea's membership later in the month, according to the MFE official.

The special envoy of French President Michel Ruge reportedly dropped a hint, in a meeting with South Korean Deputy Prime Minister Na Ung-pae Thursday, that France will do its best at the G-7 meeting, slated for June in Paris, to help the South Korean bid for OECD membership.

ROK: ROK-French Venture Discovers Oil Field in Sea Near Angola

SK2105001396 (Internet) The Digital Chosun Ilbo
WWW in English 1232 GMT 20 May 96

[FBIS Transcribed Text] The Ministry of Trade and Industry announced Monday [20 May] that Daewoo, Korea Oil Development Co., and French company Total have discovered an oil field in the second of the three drilling sites in the sea off of Angola, northwest site 2-92. Daily crude oil production is estimated to be 9,250 barrels per day. The Ministry said that the joint venture's entire reserve estimate will be completed by the first-half of next year, but it is already expected to be economically viable. Daewoo announced as soon as appraisal of the reserve is completed, it will start production from the beginning of 1998.

ROK: ROK Dignitaries To Attend Taiwan President's Inauguration

SK1805091696 Seoul YONHAP in English
0822 GMT 18 May 96

[FBIS Transcribed Text] Hong Kong, May 18 (YONHAP) — Former South Korean Prime Minister Yi Yong-tok will attend an inaugural ceremony of the ninth Taiwanese president and vice president slated for Monday, Taiwanese officials said Saturday [18 May].

Ex-premier Yi arrived in Taipei in the afternoon via Singapore Airlines, according to the officials.

Other Korean participants at the event will include ex-Home Minister An Ung-mo, ruling New Korea Party representatives Chong Chae-mun, Yu Hung-su and Kim Tong-kon and honorary chairman of the Dainong Group Pak Yong-hak, they added.

Meanwhile, congratulatory missions from more than 40 nations, including the United States and Japan, will attend the ceremony, the Taiwanese Foreign Ministry said.

ROK: Visiting Lao Foreign Minister Invites Korean Investment

SK1805143596 Seoul YONHAP in English
1239 GMT 18 May 96

[FBIS Transcribed Text] Seoul, May 18 (YONHAP) — Laos supports the effort to secure peace and stability on the Korean Peninsula, Laotian Foreign Minister Somsavat Lengsavat said Saturday [18 May].

Such peace is needed to maintain peace and stability in the Asian region, he told YONHAP News Agency before departing from Kimpo International Airport.

Foreign Minister Kong No-myong and Lengsavat signed agreements Wednesday on investment guarantees and economic, scientific and technological cooperation in enhancing bilateral economic cooperation. They also discussed ways of strengthening mutual cooperation in the Association of Southeast Asian Nations' regional forum and other regional security meetings.

Though they did not discuss specific exchanges, Seoul agreed to accept Laotian trainees for programs to be decided by Vientiane, he said, adding that Laotian officials would also be sent to learn more about Korea's development experience.

Ties between Seoul and Vientiane, severed after the communist takeover of Laos in 1975, were re-established last December, with both ministers agreeing to open embassies in each other's capitals by the end of the year.

On his nation's business climate, he called the political stability of his nation "durable" and with the adoption of the foreign investment law, overseas firms now have over 5 billion U.S. dollars worth of investments as of the end of last year.

Through such reforms, he added, his nation's economy grew an average of about 7 percent annually from 1991-1995.

Laos is pleased that Seoul has formed a special committee to undertake visibility ["visibility" stood "feasibility" as received] studies on the development of the Mekong River area, Lengsavat noted.

Kong, he said, also told him that a fact-finding Korean mission to study all the possibilities related to the Laotian project to build 50 hydroelectric power dams by 2020 project is to be sent next month.

Bilateral trade between the two nations totaled 11 million dollars last year, with Korean firms having 15 projects worth 400 million dollars there on an approval basis, according to the Foreign Ministry.

"We see the high level of development of the Republic of Korea, (which) is fully capable of participating in this project," he added, citing the involvement of Daewoo and Dong Ah in the dam project.

Korean firms looked to Laos for investment even before the resumption of bilateral ties, and through the agreements, their confidence can only improve, the minister believed.

Laos's credit rating is also high, given its lack of external debt and no defaults on loans thus far, he added.

Whether Laos can be admitted into the Asia-Pacific Economic Cooperation (APEC) depends on APEC itself, as it announced last year that it would accept no more members, the official indicated, but Vientiane will continue to talk with the World Trade Organization on the prospect of membership.

Vientiane will, however, actively participate in matters pertaining to the Asia Free Trade Agreement and engage in dialogue with other nations, he added.

ROK: NCNP Group Visits New Zealand Embassy, Protests Deportation

SK2005133996 Seoul YONHAP in English
1054 GMT 20 May 96

[FBIS Transcribed Text] Seoul, May 20 (YONHAP) — The opposition National Congress for New Politics (NCNP) sent a delegation to the New Zealand Embassy in Seoul Monday [20 May] afternoon to protest over the forced deportation by the Wellington government of former Korean Embassy official Choe Sung-chin to Seoul.

NCNP Deputy Spokesman Yun Ho-chung said that during the visit, the mission headed by Yi Chong-chang, NCNP vice president, demanded that New Zealand Prime Minister James Bolger make a formal apology for making a "false statement" regarding Choe's case.

"A message from Mr. Roger Chambers, Mr. Choe's New Zealand lawyer, shows that Prime Minister Bolger's statement that Mr. Choe gave up an appeal over his application for refugee status, was unfounded," the spokesman said.

ROK: Russia Delivers 3 Helicopters as Partial Payment of Debt

SK1805071896 Seoul THE KOREA TIMES in English
18 May 96 p 9

[FBIS Transcribed Text] Three Russian helicopters were delivered to Korea yesterday as part of Russia's payment on overdue debts and interest. Three additional

copters will also arrive this year, the Ministry of Finance and Economy said yesterday.

Ten Russian copters worth \$21 million to be used for fire fighting in Korea have arrived so far.

Since March last year, Russia sent 7,700 tons of aluminum on three occasions to write off \$13 million in debts. Russian has thus far repaid \$34 million of its overdue debts and interest in kind. By the end of this year, 4,300 tons of Russian aluminum will arrive, and Korea will receive defense equipment from Russia, it said.

ROK: Hyundai Merchant Marine Opens Container Terminal in Taiwan

SK1505025096 Seoul THE KOREA HERALD
in English 15 May 96 p 8

[FBIS Transcribed Text] Hyundai Merchant Marine Co., a leading Korean oceangoing shipping company, dedicated its first container terminal in Kaohsiung, Taiwan, in a ceremony yesterday.

Hyundai Merchant spent a total of 100 billion won on the container terminal which is reserved for the exclusive use of Hyundai containerhips, according to a Hyundai Merchant spokesman.

The terminal, which is 320 meters long, has an annual container handling capacity of 300,000 TEUs (20-foot equivalent units). It can accommodate container vessels of 5,000 TEUs or more.

Located on a plot of 34,000 pyong (112,200 sq. meters) of land, the terminal is equipped with up-to-date loading and unloading facilities including three gantry cranes and eight transfer cranes, the spokesman said.

The Kaohsiung container terminal, wholly owned by Hyundai Merchant, is claimed as the first of its kind by any Korean oceangoing shipping firm.

The opening ceremony drew about 400 persons, including Hyon Yong-won, advisor to Hyundai Merchant Marine.

"With the dedication of the exclusive container terminal, we expect a surge in private-level economic exchanges between Korea and Taiwan, whose diplomatic relations have been cut off since 1992 for political reasons," said the Hyundai Merchant spokesman.

He said that Hyundai Merchant is now pushing ahead with a plan to secure one or two more dedicated container terminals in the American Continent or Southeast Asia.

"By 2000, we plan to have at least 10 exclusive container terminals around the world as part of our

strategy to become a world-class multimodal logistics service provider," the spokesman said.

He said that 20 Hyundai Merchant container vessels—six 4,411 TEU-class ships, five 2,000 TEUs and nine 3,000 TEUs—will make at least five-time-a-week port calls at Hyundai Merchant's Kaohsiung container terminal with an additional port call by seven 5,551 TEU-class containerhips starting from the end of this month.

ROK: Premier, Hungarian Counterpart Discuss Aid, Bosnia

SK1705141196 Seoul YONHAP in English
0837 GMT 17 May 96

[FBIS Transcribed Text] Budapest, May 17 (YONHAP) — South Korean Prime Minister Yi Su-song and his Hungarian counterpart G. Horn agreed Friday [17 May] to discuss details about the two countries' joint participation in such postwar rehabilitation projects as housing, road construction and communications in Bosnia, officials accompanying the prime minister said.

Yi is visiting Hungary until Saturday on the third leg of a 16-day tour of four countries, including Turkey, Poland and Romania.

The two leaders agreed that South Korea would provide Hungary with the remaining half of a 50 million-U.S.-dollar loan from its Economic Development Cooperation Fund under conditions more favorable than those applied for the first 25 million dollars, the officials said.

They also discussed how South Korea would supply Hungary with the 230 million-dollar balance of a 650 million dollar economic cooperation fund that Seoul promised Budapest in 1989 when the two countries first established diplomatic relations but has yet to deliver.

To expand bilateral economic cooperation, Yi and Horn agreed to reactivate the joint economic committee by convening a meeting in Budapest in September and to revitalize a private-level committee as well. The joint economic committee has not met over the past four years.

Yi asked Horn to support Seoul's application for admission to OECD, and Horn requested that Seoul support Budapest's participation in the Asia-Europe meeting, according to the officials. Hungary was formally admitted to the Organization for Economic Cooperation and Development (OECD) May 7.

Hungary also reaffirmed its position that the Korean Armistice Agreement should be maintained until a new peace regime is established on the Korean Peninsula and reiterated its full support for the four-way talk proposal.

ROK: Seoul Signs Accord on International Rice Research Institute

SK1705050396 Seoul YONHAP in English
0247 GMT 17 May 96

[FBIS Transcribed Text] Seoul, May 17 (YONHAP) — South Korea signed an agreement Friday [17 May] recognizing the "international personality" of a global organization devoted to the development of rice farming methods, the Foreign Ministry announced.

Seoul's ambassador to the Philippines, Yi Chang-chun, signed the "agreement recognizing the international personality of the International Rice Research Institute (IRRI)" in Manila.

IRRI was founded by the Philippine Government and the Ford and the Rockefeller Foundations in 1959. The agreement, which took effect last May, currently has 15 member countries including Switzerland, Brazil and India.

South Korea has been engaging in IRRI projects for rice cultivation methods since 1964.

ROK: Minister Urges Philippines To Complete Extradition Laws

SK2005114096 Seoul YONHAP in English
0952 GMT 20 May 96

[FBIS Transcribed Text] Seoul, May 20 (YONHAP) — South Korea Monday [20 May] urged the Philippines to complete domestic legal procedures to make the already-signed bilateral extradition agreement valid as soon as possible.

The urging was made by Foreign Minister Kong No-myong at a meeting with visiting Philippine Secretary of Foreign Affairs Domingo Siazon, according to Foreign Ministry Spokesman So Tae-won.

South Korea and the Philippines signed the agreement in May 1993 but Manila has failed to finish its domestic legal procedures to launch the agreement. South Korea's National Assembly ratified it in December 1993.

Siazon agreed that his government will see to it that legal procedures are completed in his country at an early date, So said.

During the meeting, Kong and Siazon also agreed that they would positively consider launching a project to build a vocational training center in the Philippines with financial assistance from South Korea.

Siazon called on South Korea to ease restrictions on import of tropical fruits from the Philippines.

The two ministers further discussed ways to enhance bilateral cooperation in the Association of Southeast Asian

Nations (ASEAN), the Asia Pacific Economic Cooperation (APEC) and other international and regional forums.

ROK: Kong No-myong Said Planning To Visit Egypt, Other Countries Soon

SK2005015296 Seoul YONHAP in English
0103 GMT 20 May 96

[FBIS Transcribed Text] Cairo, May 19 (YONHAP) — South Korean Foreign Minister Kong No-myong will visit Egypt and other Middle East countries soon, the Arabic-language newspaper AL-SAYAT reported Sunday [19 May].

Kong's trip is to be made in diplomatic rivalry to North Korean Foreign Minister Kim Yong-nam's recent visit to Libya, Syria and two other nations in the region, the United Arab Emirates daily said.

The diplomatic competition involving the two Koreas has heated up in the Middle East, the paper analyzed, with Pyongyang striving to improve its relations with Arabic nations in the wake of Seoul's establishment of diplomatic ties with Cairo and more recently, the heightened tension along the Demilitarized Zone on the Korean peninsula.

AL-SAYAT pointed out that the cooperative ties enjoyed between North Korea and Egypt over the last 44 years have cooled off lately.

Seoul-Cairo ties, on the other hand, have made great gains since the two countries normalized diplomatic relations in April last year and the visit of Egyptian Foreign Minister 'Amr Musa to Seoul earlier this year, it noted.

ROK: DPRK Diplomats Said Caught Smuggling Ivory From Tanzania

SK1905040196 Seoul KBS-1 Radio Network
in Korean 0200 GMT 19 May 96

[FBIS Translated Text] It has been learned that North Korean diplomats were found to be smuggling some 900 expensive ivory tusks out of Tanzania, Africa and are under investigation, creating diplomatic difficulties. A government official said three North Korean Embassy staff members were caught smuggling 960 ivory tusks disguised as diplomatic freight on 4 May and are being questioned by the Tanzanian authorities.

The official also said: In particular, North Korea was warned by the Tanzanian authorities in 1994 because of a large-scale ivory smuggling case. The Tanzanian Government has branded the DPRK diplomats involved in the recent case as persona non grata. Accordingly, it is very likely that they will be sent back to North Korea.

ROK, Turkish Prime Ministers Agree on Opening Direct Air Route

SK1005151196 Seoul YONHAP in English
1200 GMT 10 May 96

[FBIS Transcribed Text] Ankara, May 10 (YONHAP) — South Korea and Turkey agreed Friday [10 May] to open a direct air route between Seoul and Ankara within the year and conclude a bilateral atomic energy cooperation agreement early.

The agreement came during a meeting between visiting South Korean Prime Minister Yi Su-song and Turkish Prime Minister M. Yilmaz held at the latter's office here.

At the meeting, Premier Yi explained about the background of the four-way talks proposed recently by South Korea and the United States, asking for the Turkish Government's understanding and support.

"The Turkish prime minister pledged his country's full understanding and support," Cho Chang-pom, Foreign Ministry Director-General for European Affairs, who was present at the talks said.

The two leaders agreed to open a direct air route of up to four flights a week before the close of the year, deciding to leave detailed discussions to civil airlines of the two countries.

They also shared the view that the ongoing bilateral discussion for the conclusion of an atomic energy cooperation agreement should be wound up at an early date.

Prime Minister Yi, in particular, said Korean firms are willing to take part in the bidding Turkey would hold some time this year for the construction of an atomic energy plant.

The two premiers decided to support their industries trying to advance Black Sea-Rim and Central Asian countries in capital and technical ties-up taking advantage of Turkey playing a pivotal role in these areas.

In this connection, they decided to resume the bilateral joint economic committee which has been suspended after its 5th meeting in 1991.

Following the talks, Prime Minister Yi paid a courtesy call on Turkish President Suleyman Demirel.

ROK: Prime Minister Discusses ROK Investments in Turkey

SK1105020396 Seoul YONHAP in English
0143 GMT 11 May 96

[FBIS Transcribed Text] Ankara, Turkey, May 10 (YONHAP) — Turkey's geopolitical characteristics and its growing economic role in the Middle East will

encourage South Korean businesses to increase their investment here, South Korean Prime Minister Yi Su-song said Friday [10 May].

In an address to a luncheon meeting hosted by the Turkish External Economic Committee at Ankara Sheraton Hotel, Yi said, "The South Korean Government is going to do its best to support businesses trying to expand practical cooperation between the two nations."

Economic cooperation between the two countries has profound potential in various fields including automobiles, construction, textiles and electronics, Yi emphasized.

Turkish Prime Minister Mesut Yilmaz said at the same meeting that his country could serve as a bridge for South Korean products entering Middle East, Central Asian and European markets emphasizing the "strategic advantage" his country could offer.

Businessmen from the two nations held the sixth South Korean-Turkish Economic Council Meeting after the luncheon and discussed ways to promote mutual trade and investment cooperation.

Yi is scheduled to leave Saturday morning for Istanbul.

ROK: Justice Ministry: One in Three Foreigners Illegal Residents

SK2005022596 Seoul YONHAP in English
0159 GMT 20 May 96

[FBIS Transcribed Text] Seoul, May 20 (YONHAP) — One out of every three foreigners staying in South Korea is doing so illegally, the Justice Ministry reported Sunday [19 May].

As of the end of February, 86,719 or 31.3 percent of the 277,280 foreigners staying in the country were overstaying their visa limit, up 67 percent from last year, with 90 percent of such offenders being from Asian nations such as China, the Philippines, or Bangladesh.

"The number of illegal aliens has risen sharply after visa-waiver status was accorded to citizens of Southeast and Southwest Asian nations and Chinese of Korean descent were allowed to visit their homeland," a ministry official said. "There is a fear that social problems may increase here because of such illegal aliens."

By nationality, the number of illegal Chinese residents here totaled 39,303, accounting for 45 percent of the total, followed by filipinos with 10,683, Bangladeshi with 5,567, Pakistani with 2,992, and Nepalese with 2,243.

The number of illegal aliens here has been increasing from 48,231 in 1994, 51,988 last year, and 86,719 as of February.

ROK: Expenses for Overseas Study Exceed \$80 Million Per Month

SK2005053796 Seoul YONHAP in English
0519 GMT 20 May 96

[FBIS Transcribed Text] Seoul, May 20 (YONHAP) — The average amount of expenses spent for overseas study and training programs last year exceeded 80 million U.S. dollars per month, the Bank of Korea reported Monday [20 May].

Study abroad expenses by South Koreans totaled about 998 million dollars for all of last year, an average of 83,167,000 dollars per month, the state-run bank said, a whopping 53.4 percent rise from the monthly average of 54,980,000 for 1994.

Foreigners studying here, on the other hand, spent less than a tenth of their Korean counterparts with 90,780,000 dollars, an average of about 7.6 million per month, during the same period. The monthly figure, however, was a 36.9 percent increase from the 5,483,000-dollar average spent in 1994.

Accordingly, the disparity in the amount spent on overseas study was the chief cause of the 1.22 billion-dollar deficit in the tourism and travel sector last year, with the study abroad deficit accounting for 74 percent of the total.

In light of growing tuition costs at universities in the United States, the amount spent for overseas study is expected to continue rising, the bank opined.

ROK: Large Firms Step Up Efforts To Attract Foreign Investors

SK2005060596 Seoul YONHAP in English
0526 GMT 20 May 96

[FBIS Transcribed Text] Seoul, May 20 (YONHAP) — Large Korean corporations have lately been stepping up their efforts to attract foreign investors.

According to industry sources Monday [20 May], Pohang Iron and Steel Corp. (Posco) has scheduled a total of 16 information meetings on its stocks and bonds through May 23 for foreign investors in such key countries as the United States, Britain and Hong Kong.

In building investor confidence, the company plans to provide information on its operational records last year and other data through such programs, which had been reserved for domestic firms and investors to attract investment in Posco stocks and bonds. It aims to show

that its stock is undervalued and, therefore, should be retained for a long time.

The Samsung, LG, and Daewoo Groups have also been preparing such meetings and have decided to start first with foreign firms operating in South Korea.

Posco, with the support of Citibank, has already held an investor relations meeting in New York for all potential bond investors from the United States. The steelmaking giant is slated to hold another one in Hong Kong Wednesday for American, European and Asian investors.

Posco also aims to secure a wide-range of potential investors in their bonds to prepare for future issuance, the company said while explaining the purpose of these meetings.

The LG Group, too, has decided to accelerate investor relations in the first half of the year directed at both domestic and foreign investors: It has assigned a special team at each of its affiliate firms listed on the Korea stock exchange to be in charge of investor relations.

The Samsung Group plans to have a number of its affiliates hold such investor relations meetings this year as well.

Industry sources are speculating that an increasing number of Korean firms have been feeling the need for such meetings lately to secure ways of raising overseas capital. The sources are also expecting that the meetings will not only be expanded but also diversified, as these firms feel an increasing need to go abroad for funds.

ROK: President Kim Addresses Small, Medium Businesses

SK2105035896 Seoul YONHAP in English
0239 GMT 21 May 96

[FBIS Transcribed Text] Seoul, May 21 (YONHAP) — President Kim Yong-sam said Tuesday [21 May] the government should intensify controls over intramural trading of business conglomerates (chaebol), as well as their abuse of greater business powers, for the "co-existence and co-prosperity of large and small businesses."

While addressing a meeting of small and medium-sized business-related ministers at Chongwadae [presidential offices], he noted small and medium-sized businesses are having difficulties because of Chaebol's expansion into nearly every area.

It was the second such meeting since the Small and Medium Business Administration (SMBA) was formed just 100 days ago.

The SMBA should coordinate small business support measures taken by central and local government agencies so that small and medium-sized businesses may really benefit from these measures, Kim said.

SMBA Administrator Yi U-yong briefed the president on the current situation of small and medium-sized businesses and government support available to them.

Fair Trade Commissioner Kim In-ho spoke about how the fair trade system should be run in support of small businesses.

Finance and Economy Minister Na Ung-pae, Trade, Industry and Energy Minister Pak Chae-yun and Construction and Transportation Minister Chu Kyong-sok were among those present at the meeting.

ROK: Prosecution Seeks 7-Year Prison Term for Presidential Aide

SK2105060796 Seoul YONHAP in English
0545 GMT 21 May 96

[FBIS Transcribed Text] Seoul, May 21 (YONHAP) — Seoul District Public Prosecutor Pak Chong-hwan requested a seven year prison term and 702 million won fine Tuesday [21 May] for President Kim Yong-sam's former aide Chang Hak-no on bribery charges.

He also asked for a two year and one and half year prison term, respectively, for Chang's live-in girlfriend Kim Mi-cha and her brother Kim Ui-yong on charges of illegal land acquisition registration.

In the final hearing in Seoul district court on bribery charges, Chang pleaded guilty and apologized for not having been a clean and honest civil servant.

Chang is has been charged with receiving 702 million won from 17 businesses while serving as President Kim's aide, while Kim and her brother were accused of buying land with Chang's money and registered the land under false names to help Chang conceal his illegally-amassed wealth.

ROK To Import Rice for Food, Not Industrial Purposes

SK2005050296 Seoul YONHAP in English
0444 GMT 20 May 96

[FBIS Transcribed Text] Seoul, May 20 (YONHAP) — South Korea, for the first time in 13 years, will import rice for food and not for industrial purposes during the latter half of the year.

Under the minimum market access (MMA) stipulations of the Uruguay-Round multilateral trade agreement, the government imported 350,000 sok (one sok equals 144 kilograms) of Indian rice for industrial use last year and

440,000 sok for food use this year, according to the Finance and Economy Ministry.

The exclusive importation of food rice will be the first ever since the 1981-83 period, when 18.96 million sok of such rice was imported as a result of a poor harvest in 1980.

A ministry official said that the government is considering importing rice for food from Australia, China or the United States, as the rice produced in these countries is on par with the one produced domestically.

To check a possible rise in the price of rice, the government released one million sok from its stockpiles in early May, reducing the reserve rice stock to 5.35 million sok, slightly short of the food and agriculture organization-mandated reserve supply of 5.5-5.6 million sok for South Korea.

The official said a tentative agreement had been reached with related government agencies on the need to import food rice in preparation for a poor crop this autumn or additional rice aid to North Korea, adding that Seoul would make the final decision on the matter next month.

Australia already reaped this year's rice crop in April and May, and has enough to export. Chinese rice can cost one-third the price of American rice, with the rice produced in the Shanghai area being of the same quality as that of Kyonggi Province.

The official said if the government decides to import food rice next month, it will be immediately open to international bidding.

ROK: Seoul To Open Up Until Imports Completely Liberalized

SK1105083196 Seoul YONHAP in English
0800 GMT 11 May 96

[FBIS Transcribed Text] Seoul, May 11 (YONHAP) — South Korea will continue to open its domestic market to imports until it achieves 100 percent liberalization by 2001, Minister of Trade, Industry and Trade Pak Chae-yun said Saturday [11 May].

Seoul will also promote trade in technology as well as inbound and outbound capital flows, he added, and will actively participate in the multilateral trading system through such bodies as the World Trade Organization and the Asia-Pacific Economic Cooperation.

Pak was giving an address at the Asia Society Conference, "Asia Goes Global: Korea and the Region," at the Shilla Hotel in downtown Seoul.

Korean assistance and cooperation with less developed nations will also be raised, he added.

An outward-looking policy, a market mechanism gradually expanded to push economic growth, and political and social reforms helped shape South Korea's industrialization, and could serve as an example to other nations, he believed.

ROK: More on Changes to Foreign Exchange Management Rules

SK1805071996 Seoul THE KOREA TIMES in English 18 May 96 p 9

[By staff reporter Yi Chang-sop]

[FBIS Transcribed Text] Beginning next month, foreign firms will be free to open liaison offices just by reporting to the central bank, and Korean firms will no longer be subject to limits in the amount of expenditures to maintain overseas offices.

At the same time, Koreans will virtually face no limits in the amount of money they can carry when they emigrate, and individual Koreans will be able to keep up to \$50,000 in banks overseas. Institutional investors will be free to keep money overseas without a ceiling.

Nonresidents and resident foreigners in Korea will be able to borrow both Korean and foreign currencies from Korean financial institutions, and they can open accounts with Korean banks overseas to convert won into foreign currency or vice versa without a limit.

The Ministry of Finance and Economy announced yesterday that the revised foreign exchange management rules will take effect next month in line with the government's move toward a freer foreign exchange system. The revision to the Foreign Exchange Management Regulation was endorsed in the Financial Industry Development Deliberation Committee yesterday in Seoul.

Except for investing in overseas real estate and bringing in cheap foreign capital, residents here will be given relative freedom in using foreign currency in and out of Korea. But Koreans will not be able to enjoy the full freedom available for residents of OECD (Organization for Economic Cooperation and Development) countries.

The liberalization plan calls for removing controls on capital outflow faster than capital inflow. The government said it has no immediate plan to allow foreigners to tap the domestic bond market full-scale. It has not made clear when foreigners will be able to expand the provision of loans to Koreans to facilitate their shipment of goods to Korea. Exporters will continue to be subject to limits in the amount of advance money they can receive from foreign importers before goods are shipped.

All these measures are aimed at discouraging a sudden inflow of capital, which will increase the money supply, fan inflation and put pressure on appreciating the won.

The government's plan is still regarded as conservative by the OECD but radical or too progressive by some domestic critics.

Koreans will be able to carry up to 8 million won (about 10,000 dollars) when they move in and out of the country, up from the current limit of three million won. Residents are free to trade foreign currency-denominated transactions between themselves without permission from the central bank the ministry said.

A free opening of foreign currency exchange shops will be allowed across the country, it said. A family of four people will be able to carry up to \$1 million when they emigrate overseas, double the current limit. The overseas emigration expenses beyond million 1\$ per family will be allowed when emigrants get permission from the central bank.

Residents will no longer need permission from banks when they send money overseas. All external payments under \$5,000 will be allowed without being subject to documentation requirements, but the list of those sending offshore more than \$20,000 per year without providing documentation will be submitted to the tax office, the ministry said.

External payments and receipts linked to current accounts (the flow of hard currency involving the trade of commodities) will be made just by reporting to banks, a major departure from the current practice of the validation system, a de facto approval system.

Foreigners will be able to freely send what they earned in Korea to their home countries. Foreigners who have stayed here for more than five years will be given the same treatment as Korean nationals in external payments, the ministry said.

Koreans returning to Korea from overseas and local exporters will be able to keep up to \$50,000 overseas. But the amount beyond the limit should be collected and returned to Korea, it said.

Koreans will be free to buy and sell up to \$20,000 dollars per year from banks without providing reasons to buy and sell the hard currency. They can also personally keep the foreign exchange at their discretion, double the current limit. But the list of those buying and selling beyond the limit and those buying foreign currency to donate overseas will be sent to the tax office, the ministry said.

Banks will be given more freedom in opening branches dealing in foreign exchange businesses. Once the head

office gets a foreign exchange business license, any branches of the bank can engage in foreign exchange services just by reporting to the central bank. Banks will be able to open overseas branches on several occasions each year, a major departure from the current practice of regulators reviewing and issuing licenses once a year.

Banks will be able to engage in forward transactions without providing underlying documents, but they might be discouraged from being locked in speculative deals. Non-residents will be able to keep whatever amount of Korean currency at the deposit accounts of Korean banks overseas and the overseas units of foreign banks in Korea.

Koreans will no longer be regulated in settling export bills through whatever forms—either in letters of credit (LC) or on a non-LC basis. Imports valued at less than \$100,000 dollars will be freely made through "factoring," a financing formula. Construction firms will be able to keep up to 30 percent of the contract amount, or more than \$3 million overseas after they complete construction projects offshore.

Institutional investors will be free to deposit whatever amount of money in financial firms overseas. The overseas deposit limit will be \$3 million and \$50,000 for general corporate entities and individuals, respectively. The tax office, however, will closely monitor the overseas deposit trend by residents to check for possible tax evasion and capital flight, the ministry said. General trading houses will be able to keep up to \$500 million, or half of the export and import amount they arranged for the previous year, at financial firms overseas.

Residents will be able to issue foreign currency checks valued at less than \$1,000 to other residents, it said.

Korean firms will no longer be regulated in using money they borrow offshore, except for those prohibited business activities that are contrary to the maintenance of good international relations and public order.

As part of the steps to liberalize cross-border capital flow, the government had already allowed foreign firms to list stocks here. Korean firms were allowed to issue bonds, securities, commercial papers and other forms of financial instruments overseas. The aggregate ceiling for foreign investment in local stocks was raised to 18 percent.

A limited bond market-opening was announced. Korean fund managers were allowed to issue more beneficiary certificates overseas, and foreigners were permitted to buy beneficiary certificates issued by investment trust companies, as well as stocks of unlisted companies.

ROK: Article on 'Dilemma' Over Allowing Foreign Banks To Open

SK1705041696 Seoul THE KOREA TIMES in English
17 May 96 p 9

[By staff reporter Yi Chang-sop]

[FBIS Transcribed Text] The government faces a dilemma over allowing foreign banks to open subsidiaries here.

The Organization for Economic Cooperation and Development (OECD) has strongly pressed Seoul to permit international banks to set up wholly-owned subsidiaries.

Currently, foreign banks operate in Korea either through branches or joint ventures. But a government decision to permit the entry of foreign banks through subsidiaries is certain to invite strong complaints from Koreans, a Ministry of Finance and Economy official said.

While banning the set up of new domestic banks, the government will not allow foreigners to freely open bank subsidiaries he said, adding that if they were permitted to do so it would be regarded as a kind of "reverse discrimination" against Koreans.

Furthermore, industrial firms are barred from controlling any bank and major Korean business groups are unable to establish banks. However, a decision to permit foreigners to establish subsidiaries may encourage foreign "industrial giants such as Mitsubishi" to set up subsidiaries here. This will also be regarded as discriminating against Korean chaebol, government officials said.

Once foreigners open banking subsidiaries here, they will be able to control management. But in Korea, no one is able to have more than a 4 percent share of any commercial bank, they said. The OECD is said to be asking Korea to allow foreigners to do banking, securities, insurance and other financial services through subsidiaries, joint ventures, branches and whatever form they like. But so far the government has maintained a policy of not allowing the entry of foreign financial firms through subsidiaries here.

Few of foreign bankers here have openly aired the need to do business through subsidiaries.

ROK: 'Wasteful' Credit Card Users To Lose Privileges

SK1605034196 Seoul YONHAP in English
0141 GMT 16 May 96

[FBIS Transcribed Text] Seoul, May 16 (YONHAP) — In a bid to control the excessive use of credit cards during overseas travel, credit card firms will revoke

credit privileges for persons charging more than 5,000 U.S. dollars overseas as early as next month.

According to Bank of Korea sources and financial authorities Thursday [16 May], credit card firms, after joint consultations, decided on the measure in an effort to clamp down on the wasteful use of foreign currency.

Although current law allows an individual to charge up to 5,000 U.S. dollar per card abroad, many circumvent such regulations by using several cards, the sources said, adding that the use of credit by travelers overseas jumped to 1.22 billion dollars last year from 760 million dollars in 1994 and 510 million dollars in 1993.

Accordingly, the nation's deficit in invisible external trade in the first quarter of this year ballooned 2.4 times from 790 million dollars in the same period last year to 1.89 billion dollars.

The nation's invisible trade deficit now accounts for a whopping 46 percent of the current-account deficit, almost double its 23.5 percent share last year. The government is aiming to keep the deficit at around 6 billion to 7 billion dollars, but if the trend persists, the deficit is feared to break those marks.

ROK Banks' Productivity Doubled Over Past 5 Years

*SK1605032796 Seoul YONHAP in English
0143 GMT 16 May 96*

[FBIS Transcribed Text] Seoul, May 16 (YONHAP) — South Korean banks' productivity has more than doubled over the past five years, according to the Office of Bank Supervision (OBS).

The productivity of the nation's 25 commercial banks, determined by dividing their total assets by their total employment, increased from 1.28 trillion won in 1990 to 3.06 trillion won last year.

Per employee deposits also jumped 2.7 times from 857 million won to 2.32 billion won in the same period.

Per employee loans rose from 677 million won to 1.41 billion won.

The value added per employee also climbed 34.5 million won to 75.2 million won.

But per employee net profit fell from 8.7 million won to 7.9 million won chiefly because of stock investment losses last year.

ROK: NKP Secures Majority Seats With Yim Chin-chul's Entry

*SK2005031396 Seoul YONHAP in English
0251 GMT 20 May 96*

[FBIS Transcribed Text] Seoul, May 20 (YONHAP) — The ruling New Korea Party (NKP) has secured a majority in the National Assembly after independent lawmaker-elect Yim Chin-chul joined the party Monday 20 May).

Yim, elected from the Kyongju-B District in North Kyongsang Province, has given the NKP its 150th out of the 299 seats in parliament.

In the 40 days following the April 11 election where the ruling party won 139 seats, the ruling party managed to lure 11 independent or opposition lawmakers-elect into the fold.

Yim said in an interview that she decided to join the NKP so that she could work more effectively to live up to her electorate's wish that various problems and projects pending in Kyongju be solved and completed.

ROK: NCNP Adviser Criticizes Kim Tae-chung for Election Defeat

*SK2005041696 Seoul THE KOREA TIMES in English
20 May 96 p 2*

[FBIS Transcribed Text] Kim Tae-chung, president of the main opposition National Congress for New Politics [NCNP], has been pestered by intermittent criticism from within the party holding him accountable for the party's election defeat.

On the heels of the verbal slap by Kim Sang-hyon, chairman of the NCNP guidance committee, Kim Tae-chung was again criticized by the party's standing adviser for his role in the opposition's split.

Pyon Chong-su, a former judge of the Constitutional Court and the current standing adviser of the NCNP, faxed a statement last weekend to party members, in which he called for intra-party democratization.

In the "bombshell" statement, Pyon euphemistically attacked NCNP leader Kim for splitting the opposition Democratic Party [DP] last year, which he claimed was the outstanding cause of its election defeat.

"Had we been united, we would have won the April elections. We invited the election defeat by halving the opposition," said Pyon, who was named a Constitutional Court judge in 1988 at the recommendation of Kim Tae-chung's Party for Peace and Democracy.

Pyon said, "The act of splitting the Democratic Party cannot be justified with whatever excuses." In September 1995, Kim Tae-chung, then an adviser to the party, bolted the DP with his followers to create the NCNP after a long power feud with then DP leader Yi Ki-taek.

Pyon was also critical of the NCNP's move to attribute its electoral defeat to what it claimed was illegal electioneering on the part of the government and the ruling New Korea Party.

"If the NCNP is to be called a democratic party, it should first reflect on its follies and frankly take responsibility for the election defeat," Pyon said.

He also euphemistically denounced Kim Tae-chung for failing to run the party in a democratic manner, citing several qualifications for a leader of the nation.

A leader should be unselfish and ready to make sacrifices. Most importantly, he should not seek to amass a personal fortune," Pyon said.

The former judge called on opposition forces to unite to ensure a victory in next year's presidential election.

Pyon also urged NCNP leader Kim to exclude those figures who served in important government posts during the military dictatorial era.

Deeply embarrassed, Kim's deputies asked Pyon to calm down. Han Kwang-ok, NCNP secretary general, visited Pyon's office last weekend to ask for his cooperation in securing party unity.

Some NCNP members discounted Pyon's rebellion as merely angry words because of the NCNP's failure to make him a lawmaker.

Pyon, meanwhile, flatly denied the allegation, saying that he refused to accept an offer for a national constituency seat from the party leadership.

"All I intended to do with the statement was to help the party make the right judgment as standing adviser to the party," Pyon argued.

ROK: Ruling Party Presidential Nomination Discussions Analyzed

SK1905021396 Seoul THE KOREA HERALD
in English 19 May 96 p 2

[By staff reporter Choe Sung-chol]

[FBIS Transcribed Text] President Kim Yong-sam's New Korea Party appears to be headed for where President Kim does not want it to go.

Since the April 11 general elections and the emergence of prominent political figures in the ruling party, the

President has banned open debates over the party's presidential nomination.

Thus, most ruling party leaders have abstained themselves from referring to the subject for fear of offending their boss, President Kim, who fears becoming an early lame duck if a presidential nominee becomes too powerful too quickly in the party.

Yet despite this ban, the debate has continued in an indirect form, through discussions over how Kim's successor should be selected.

Although a consensus has been built in the party that its candidate for next year's presidential election should be picked through a vote, some party leaders have recently begun to voice their own views on what that vote should be like.

Former Prime Minister Yi Hoe-chang, a top ruling party leader, warned Tuesday [14 May] against the vote being just a ceremonial event and called for a bona fide competition.

"I think if a certain person blesses someone with the presidential candidacy in advance and then calls a vote later just to justify his choice, then that is against the party constitution," Yi said.

Yi's such remarks on the sensitive matter have created a stir in the ruling camp because they could be regarded as a challenge to President Kim's authority and his temporary embargo on open debates on his successor.

He even appeared to have defied the President's decisive role in the party's presidential nomination process when he said, "The President has the right to express his own opinion because he is a party member. But it's far from democracy if we are only at his beck and call."

The forthright former justice was President Kim's biggest catch when he joined Kim's party last January to lead its campaigning in April's elections and the ruling party believes he has greatly contributed to its greater-than-expected victory in the elections.

Billed as a proponent of politics ruled by law, Yi is one of the front-running presidential hopefuls in the ruling party.

Another strong presidential aspirant, former lawmaker Pak Chan-chong, has similar views.

"The presidential candidate should be chosen through democratic procedures," said the popular reformist politician, who also led the ruling party's electioneering in the April 11 elections, in a statement Wednesday.

This view of a democratic vote gained steam when party Chairman Yi Hong-ku, who last week replaced the

conservative Rep. Kim Yun-hwan, expressed a similar view on the sensitive issue.

A party official said, however, that he is worried the remarks by these reformist leaders will lead to intraparty strife over presidential nomination.

His fear stems from the fact that Rep. Kim Yun-hwan, the leader of the conservative Minjong faction, opposes the idea of selecting the President's successor through an open contest and calls for a restricted vote instead.

Before he resigned as party chairman early this month, Rep. Kim said his party needs to narrow down differences over the presidential nomination among rival potential candidates before entering into a vote, citing the possibilities of open competitions damaging party unity.

Party Secretary-General Kang Sam-chae, a close confidant of President Kim, tried to quiet the debate over the vote.

"I think it would be better if we don't talk about this subject until next year," said Kang, who is regarded as President Kim's mouthpiece.

Under these circumstances, news reports that party Chairman Yi has recently contacted with Yi Hoe-chang and Yi Han-tong, another presidential hopeful, are drawing attention.

Yi's move could have come out as part of an effort to have potential presidential candidates refrain from moving ahead too quickly.

Chairman Yi is worrying that Yi Hoe-chang may fall from President Kim's favor because of his unrestrained remarks while his rivals within the party seek to remove him from his prominent position, a party source quoted him as saying in a private meeting.

ROK: Kim Chong-pil Renews Call for Cabinet System

SK1905021996 Seoul THE KOREA HERALD in English 19 May 96 pp 2, 12

[FBIS Transcribed Text] Opposition leader Kim Chong-pil renewed his call for constitutional revision in favor of a cabinet system of government yesterday.

It was nothing unusual for him to demand the rewriting of the Constitution because he has done so whenever he has had the chance.

His call for constitutional revision this time might be carrying greater weight. It came at a time when Kim Tae-chung, another opposition leader, was dropping hints that he may change his mind in favor of the cabinet system.

In a lecture on Tanguk University's Chonan campus, Kim Chong-pil claimed different political parties find it easier to promote compromises under a cabinet system than under the current presidential system.

Kim Chong-pil, president of the minor opposition United Liberal Democrats, said the cabinet system, which induces a governing coalition of parties in the absence of a majority party, precludes a minority governing party.

By a minority governing party, he was apparently referring to President Kim Yong-sam's New Korea Party, which failed to retain its congressional majority in the April 11 general elections.

In alliance with Kim Tae-chung, president of the main opposition National Congress for New Politics, Kim Chong-pil is fighting against the ruling party's move to recruit opposition and independent lawmakers-elect and build up a congressional majority.

When they met on joint action against the ruling party May 4, they included a reference to the cabinet system in their joint statement, proposed not by Kim Chong-pil, but by Kim Tae-chung, who had before advocated the presidential system of government.

The joint statement read in part, "If the general elections had been held under the cabinet system and produced the same outcome, power would have been transferred (from the ruling New Korea Party to the opposition)."

When it was disclosed that Kim Tae-chung had crafted the reference to the cabinet system, it came as a surprise. Kim Tae-chung, who was defeated in the past three presidential elections, is preparing for his fourth bid.

Kim Tae-chung, who is reputed to pay attention to commas and periods as well as the wording in such statements, was assumed to be sending a message to the public about his future action or some hidden motive.

He has since mentioned the cabinet system several times. He has also said he still has an ardent desire to become the President.

In addition to mentioning the cabinet system in favorable terms, Kim Tae-chung is also calling for a regional alliance against the Kyongsang region, which has dominated the Korean political scene for almost four decades.

The two Kims would become major beneficiaries of such an alliance because their parties are regionally based — the National Congress for New Politics in the Cholla provinces and the United Liberal Democrats in the Chungchong provinces.

An aide to Kim Chong-pil said Kim Tae-chung appears to believe that he cannot win the presidential election,

scheduled for December next year, if he fails to carry non-Kyongsang regions.

"He may be seriously considering the cabinet system," the aide said.

Kim Tae-chung and Kim Chong-pil, both of them in their 70s, are joining hands when their detractors in their own parties are becoming more vociferous in their demand that they give up seeking the presidency next year.

Some of the detractors go so far as to demand they retire from politics.

ROK: Role of Party Affiliation of Elected Assemblyman Discussed

SK1905021896 Seoul THE KOREA HERALD
in English 19 May 96 pp 2, 10

[By staff reporter David Cho]

[FBIS Transcribed Text] In tiny Korean characters, no more than one and a half centimeters across, the phrase "New Korea Party" appears in the right-hand corner of Kang Hyon-uk's campaign picture card.

While that name is usually brandished as loftily as a knightly coat of arms, the de-emphasis of his ruling party affiliation was a necessary election tactic for Kang. He ran in North Cholla Province, a regional stronghold of the main opposition party.

Local sentiment here runs so strongly against the ruling party that "some Cholla voters would just say, 'I hate the ruling party' without any reason or because of any policy," Kang explained. So on his posters and ads, he took his party's great name and shrunk it down to the size of a small pea pod.

"It was my campaign strategy," he said with a grin.

Kang can grin now because he won his election, becoming the only ruling party candidate to win throughout North and South Cholla — sort of like a lone warrior taking a stand deep in enemy territory. The main opposition party swept every other district in these two provinces, accumulating 36 National Assembly seats.

In person, though, Kang hardly seems the political warrior you might expect from someone who had just prevailed on enemy turf.

He is a man of small stature and simple speech, answering questions softly and curtly. He admits his training, too, is in economics and administration, not in the rigors of election campaigning or Assembly floor politics.

Kang may not have presence, but he certainly has held high position, something which he could have only obtained through his association with the ruling camp.

As far back as the No Tae-u administration, the ruling party primed him for victory in a Cholla district. In 1988, President No appointed him governor of North Cholla, giving him a platform to establish a broad rapport with voters; in 1992, he became the minister of agriculture.

The latter proved pivotal to his recent election. The Cholla provinces hold some of Korea's richest farmlands; rice paddies upon rice paddies spread across the countryside there, in a seemingly endless geometric pattern of square pools and greenery.

Through his ministry, Kang came in contact with the individuals who work these fields and a number of agricultural cooperatives in North Cholla which provide low-credit loans and government subsidies for farmers.

The cooperatives also represent the interests of farmers to the ministry, so Kang said they carry a lot of influence within the local communities.

In Kunsan, the district in which Kang eventually won his election, there are five such cooperatives, encompassing nearly all farming families in the area. Kang affirmed that they played a key role in lifting him to the National Assembly.

"Sure, I talked to them all the time when I was at the agricultural ministry. I often came down to Kunsan and met them to find out what was going on with them and how I could help them out," he said.

If Kang belonged to another party, he would have never had the opportunity to hold these positions, or expand his rapport with Cholla farmers so quickly. The attraction of the ruling camp, he explained rather frankly, is the fact that the President appoints his own party members to influential posts in the government.

Unlike some Western democracies, the President of Korea can reshuffle his cabinet at any time for any reason: to create the impression of reform and change, to remove a political rival or to increase a candidate's chances of election.

In his own case, Kang acknowledged that ruling party leaders considered he was planning to run in a North Cholla district when they decided to appoint him as the agricultural minister.

And actually, Kang was only one of three former agricultural ministers who ran in Cholla — all of them, of course, were from the ruling party.

Kang said he never considered joining the main opposition party, even though he was born in North Cholla and most of his childhood friends are now supporters of the opposition.

For him, there is no better way to gain political clout than to be a member of the most influential of parties. He may have hid his ruling party labels, but underneath it all, Kang is New Korea Party all the way.

"Sure my chances for election would have improved if I joined the main opposition party, but if you really want to get something done, you have to come from the ruling party," he said. "The ruling party, that's where the real power is."

ROK: Government To Investigate Groups Threatening Democracy

SK1805040096 (Internet) *The Digital Chosun Ilbo*
WWW in English 1207 GMT 17 May 96

[FBIS Transcribed Text] The Supreme Public Prosecutor's Office announced Friday (17 May), at a meeting of 10 security-related government agencies, that it will begin large scale joint investigations of forces which pose a threat to democracy. The Prosecutor's Office claims that the people's indifference to national security and ideologic chaos has reached immense proportions, and has declared it will begin monitoring various left-ist organizations, their publications, underground propaganda, computer communications networks, films, and plays, as well as their producers and funding sources. Propagation of any materials deemed to be helpful to the enemy will also be halted.

According to the Prosecutor's Office, there is an increasing number of cases of contacting North Korean saboteurs, disguised as North-South cooperative or communications measures. The Prosecutor's Office says it will severely punish any unlawful contact with the North.

ROK: Low Percentage of Assembly Members Served in Military

SK1905003896 (Internet) *The Digital Chosun Ilbo*
WWW in English 1212 GMT 18 May 96

[FBIS Transcribed Text] Is military service an indication of patriotism? In a report released in the June issue of the "Monthly Chosun," 24.2 percent of members of the 15th National Assembly did not serve in the military. Of the 260 members elected this term, 63 did not serve in the military. This is higher than the general public's rate of 19.6 percent. According to party breakdown: New Korea Party, 27.4 percent; National Congress for New Politics, 24.6 percent; United Liberal Democrats, 10 percent; and independents 14.3 percent. In comparison to previous years, the failure rate of this

year's assembly members has risen slightly from the 14th Assembly's rate of 24 percent, and has decreased dramatically from the 13th Assembly's failure rate of 32.8 percent.

ROK: NKP Chairman Yi Hong-ku Seen as Presidential Contender

SK1805083096 *Seoul THE KOREA TIMES in English*
18 May 96 p 2

[FBIS Transcribed Text] Yi Hong-ku, new chairman of the ruling New Korea Party, is now in the limelight not as a "caretaker" of the ruling party but as a possible contender for its presidential nomination.

Yi, who was elevated to the party's second highest post early this month, is on exceptionally good terms with President Kim Yong-sam who is also the head of the NKP.

Yi also served as unification minister and premier.

Upon being formally appointed NKP chairman, he said he did not think politics is his niche. He went on to say that it might be his duty to take care of the ruling party so that its candidate can win next year's presidential election. But nowadays, he is being seen in a new light both in and outside the party.

And he has been kept busy since becoming NKP chairman. He held a round of meetings with party stalwarts often mentioned as strong presidential hopefuls. They include former prime minister Yi Hoe-chang who was the NKP's chief campaign manager for the April 11 general elections and Vice Speaker Yi Han-tong. He is to meet with Rep. Choe Hyong-u who took part in President Kim's fight against past military dictatorships.

Yi was learned to have asked for their cooperation in his management of party affairs. It was also said that he asked them not to discuss who will be the NKP's presidential candidate until early next year, saying early debate on the touchy issue will only disrupt party unity.

He also told them it is desirable for the party to nominate its standard bearer sometime around the middle of next year. Yi briefed President Kim on party affairs early this week. Noteworthy is that the weekly meeting lasted for an hour, twice the time of previous briefings.

Besides, President Kim allowed Yi to appoint as many as seven special assistants to help him manage and lead the party. Political observers are of the opinion that President Kim may have an ulterior motive in giving Yi such latitude.

Yi's new political weight will have the effect of "silencing" any early debate on who and how the party's standard-bearer should be chosen.

There is also suspicion that President Kim may have Yi in mind as the ruling party's presidential candidate.

Among the presidential hopefuls frequently mentioned, former prime minister Yi Hoe-chang is the frontrunner. Others include unsuccessful Seoul mayoral candidate Pak Chan-chong, Vice Speaker Yi Han-tong, Choe Hyong-u and former chairman Kim Yun-hwan.

Of course, sitting chairman Yi is also among the presidential hopefuls. However, he says he is not interested because he does not think he is qualified to serve as president.

However, NKP Chairman Yi's special treatment from President Kim is giving rise to speculation that he is the "teacher's pet." Former prime minister and chief campaign manager Yi is different in nature from Chairman Yi although they were high school and college class mates.

Ex-chief campaign manager Yi is a man of principle, refusing to bend his credo. This was well demonstrated when he gave up the premiership rather than bow to President Kim in a policy dispute.

In sharp contrast, the NKP chairman is a suave character, who can adjust to the situation. He is often likened to water, whose shape is determined by the vessel it is in. If Seoul is given the right to host the World Cup, the political landscape will definitely change in his favor because of his deep involvement in the bidding efforts.

The two Yis are from well-off families also. They entered an elite high school and college. And their careers are clean despite their long public life.

One important thing is that they are not from Kyongsang nor Cholla areas but from the central part of the nation and Seoul. This bodes well for the both of them because the people are fed up with the regional rivalry represented by President Kim Yong-sam from the Kyongsang area and Kim Tae-chung from the Cholla area.

ROK: Prosecution To Crack Down on 'Left-Leaning' Forces

SK1805082896 Seoul CHOSON ILBO in Korean
18 May 96 p 1

[Report by Kim Hong-chin]

[FBIS Translated Text] On 17 May, the Public Security Department (director: Choe Pyong-kuk) of the Supreme Public Prosecutor's Office held a "conference of public security-related officials to crack down on forces posing a threat to the liberal democratic system." The conference was attended by relevant officials from 10 government agencies, including the National Police Agency

and the Agency for National Security Planning. They have decided to carry out a large-scale joint investigation of forces posing a threat to the ROK's liberal democratic system.

The prosecution, judging that citizens' increasing indifference to security and ideological chaos are causing people to worry, has decided to conduct close surveillance of organs and clandestine publications by various left-leaning organizations, the content of subversive personal computer communications, and the content of movies, and dramas and to investigate financial relations between their producers and supporters. Thus, the prosecution will block the circulation of publications and materials benefiting the enemy.

The prosecution estimates that there have been frequent instances in which, on the pretext of carrying out North-South exchanges and cooperation, people have contacted organizations run by North Korean operatives, and thus carried out anti-national activities. As such, the prosecution has decided to sternly deal with acts in which people have recklessly contacted North Koreans.

During the conference that day, the prosecution revealed that forces posing a threat to the liberal democratic system number approximately 40,000 people working in various spheres, including the academic, labor, and dissident spheres. They are carrying out activities in about 90 organizations they have formed. Of the 40,000 people noted, the number of hard-core leftists numbers about 10,000.

ROK: Ruling, Opposition Parties Fail To Narrow Gap on Assembly

SK1805065596 Seoul THE KOREA TIMES in English
18 May 96 p 2

[FBIS Transcribed Text] Amid the sharp confrontation between the ruling and opposition camps, floor leaders of three major parties, the ruling New Korea Party [NKP], the major opposition National Congress for New Politics [NCNP] and opposition United Liberal Democrats [ULD], met yesterday in an attempt to narrow the gaps on their views concerning the inauguration of the 15th Assembly but failed.

In their informal meeting after participating in the ceremony unveiling the sculpture of independence fighter Yi Tong-yong, NKP floor leader So Chung-won called on the two opposition floor leaders to come to the negotiating table for the inauguration of the 15th Assembly, which is set to open June 5.

But the opposition parties rejected So's offer citing the fact that the ruling NKP is continuing to recruit inde-

pendent and opposition lawmakers-elect in an attempt to form an Assembly majority.

Following the meeting, Rep. So said, "The dialogue was not smooth because the two opposition floor leaders are not entrusted with the power to decide on whether to start talks or not. But I will try to hold dialogue with the opposition parties."

Opposition floor leaders revealed that they made it clear to So that they would not make any contact with their ruling counterpart unless the NKP stops its flagrant attempt to build up a majority force.

NCNP floor leader Pak Sang-chon said "If we respond positively to the NKP's dialogue offer, it will be taken to justify the ruling party's blatant recruitment efforts. Therefore, we will take an offensive against the NKP outside the Assembly and file a lawsuit with the Constitutional Court immediately after another lawmaker-elect joins the NKP, increasing its number of seats to 150 in the 299-seat unicameral Assembly."

Yi Chong-mu, floor leader of the ULD, said that the party will not have any sort of formal and informal talks with the NKP as long as it continues to recruit lawmakers-elect.

Meantime, a joint committee of three opposition parties yesterday decided that the three parties would take to the streets early next week to protest the ruling camp.

They are expected to distribute car stickers criticizing the NKP's illegal campaigns, hang banners in the streets and disseminate leaflets explaining the NKP's immoral attempt to build a legislative majority.

However, they agreed to put off waging outside rallies criticizing the lawmakers-elect who joined the NKP after the April polls, worrying that such extreme measures would only invite an adverse reaction from the public.

Despite the strong protests, the ruling camp remained firm in its stance to form a legislative majority in the 15th Assembly.

NKP spokesman Kim Chol, responding to the opposition moves, said yesterday, "We urge the opposition to return to normal, realizing the people's wish to see political stability. We are clearly opposed to their claim that lawmakers-elect are not free to change parties."

ROK: NKP Reacts 'Angrily' to Kim Tae-chung's Demand

SK1805054596 Seoul THE KOREA HERALD
in English 18 May 96 p 2

[FBIS Transcribed Text] A top opposition leader's demand the next president should come from a region

other than the Kyongsang region is emerging as an issue of contention between rival political parties.

The ruling New Korea Party [NKP], whose political stronghold is part of the Kyongsang region, has reacted angrily to the demand recently made by Kim Tae-chung, president of the main opposition National Congress for New Politics.

Ruling party leaders said Kim's remarks are tantamount to an act instigating the split of the nation when they held a meeting yesterday.

They also agreed to take countermeasures against his remarks which they claimed are aimed at fanning regional rivalries to win next year's presidential election.

Their reaction came shortly after Kim claimed that the next president should come from a region other than Kyongsang, which has produced three former Presidents and the incumbent President.

"We cannot but define his call for voters not to elect a candidate from Kyongsang as a scheme to divide the nation," a ruling party spokesman said in a statement.

Spokesman Kim Chol also charged that opposition leader Kim's remarks are an obvious challenge against the people's choice of the government.

The ruling party official also said it is necessary for the people to be cautious toward the opposition leader's rhetoric concerning regional antagonism.

In the June local elections last year, Kim Tae-chung similarly demanded that power be equally shared among regionally-based political parties.

The ruling party spokesman also suspected that Kim Tae-chung's call is just a tactic to win next year's presidential election.

"It is opportunistic of Kim to raise the question as a strategy to win the election," the spokesman said.

The spokesman also said Kim's political career has been filled with attempts to obtain political gains through instigation of regional rivalries.

Kim said Wednesday that he still has an ardent desire to become the president.

ROK: Lawmaker-Elect Found To Have Stashed 20 Billion Won for No

SK1805055996 Seoul YONHAP in English
0516 GMT 18 May 96

[FBIS Transcribed Text] Seoul, May 18 (YONHAP) — Lawmaker-elect Kim Sok-won, former chairman of the Ssangyong Business Group, was found to have

unlawfully held 20 billion won of former President No Tae-u's slush fund.

An official at the Supreme Public Prosecutor's Office said Saturday (18 May) tracing of No's slush fund has led to the finding that in early 1992 No handed Kim 20 billion won with the request that "it be kept off the record."

When the government introduced the real-name financial transaction system in mid-1993, Kim had his group firms keep the money in the form of stock now worth 19.1 billion won, he said.

The official said the prosecution has asked the court to take steps to keep the fund intact for possible forfeiture in the future.

Kim Sok-won has already been charged with illegally stashing about 6 billion won in securities for another disgraced former president, Chon Tu-hwan.

ROK: Former Pusan Construction Official Charged With Bribery

SK1505063196 Seoul YONHAP in English
0514 GMT 15 May 96

[FBIS Transcribed Text] Pusan, May 15 (YONHAP) — Yu Chang-su, former director of the Pusan municipal construction headquarters, is likely to be charged for taking millions of won in bribes from contractors involved in infrastructure projects for a new town in Haecundae, prosecutors said Wednesday (15 May).

Yu was summoned for questioning Tuesday by the Pusan district prosecutor's office and interrogated overnight.

On one occasion, Yu allegedly received a 10 million-won bribe from Hanyang Co., Ltd. on April 23 in return for approving a change in the plans for the construction of a road.

The investigation is being expanded to involve more than 20 construction contractors, with prosecutors suspecting that the kickbacks Yu accepted may reach hundreds of millions of won.

Prosecutors also plan to investigate Yu's previous wrongdoings when he headed the construction and housing bureaus in Pusan.

During their search of Yu's home Tuesday, investigators reportedly found bundles of 1 million won in cash and scores of jewelry and trimmings.

An arrest warrant will be sought for Yu on bribery charges in the next few days, prosecutors said, but those who offered Yu such kickbacks will face legal action without physical detention.

ROK: Independent Lawmaker Paek Sung-hong To Join NKP

SK1505025696 Seoul YONHAP in English
0222 GMT 15 May 96

[FBIS Transcribed Text] Seoul, May 15 (YONHAP) — The ruling New Korea Party (NKP) is likely to secure a majority of National Assembly seats this week as the inflow of independent and opposition lawmakers-elect continues.

The NKP's parliamentary seats are expected to increase to 149, only one seat short of majority, now that independent lawmaker-elect Paek Sung-hong declared that he will join the ruling party before the end of this week.

Paek, who was elected in West-A district, Taegu, said he decided to join the NKP to effectively push for what he promised to his electorates during the campaign for the April 11 general elections.

He told reporters at his Taegu office he will make a final decision on joining the ruling party after holding a public hearing with his electorate.

"I will be joining the NKP to devote myself to the rehabilitation of the sluggish Taegu economy," he said. He then apologized for breaking his campaign promise that he would remain an independent after he is elected.

The ruling NKP garnered a total of 139 parliamentary seats in the April 11 parliamentary elections, 11 seats shy of the majority of the 299-member National Assembly.

ROK: NCNP Lawmaker-Elect Questioned on Alleged Document Forgery

SK1405093996 Seoul YONHAP in English
0822 GMT 14 May 96

[FBIS Transcribed Text] Seoul, May 14 (YONHAP) — Kim Sang-u, a lawmaker-elect of the major opposition National Congress for New Politics (NCNP), was questioned by prosecutors Tuesday (14 May) in connection with the classified diplomatic document forgery case involving Choe Sung-chin.

Kim met with Choe, a former administrative attache at the Korean Embassy in New Zealand, in Wellington last May just prior to the allegedly forged document being made public, which was the basis on which Rep. Kwon No-kap of the then major opposition Democratic Party alleged that the government was attempting to delay the June local elections.

When he arrived at the Seoul District Prosecutor's Office, Kim told reporters, "I met Choe twice on May 17

and 18 last year in the New Zealand Hotel where I was staying, but heard nothing about a diplomatic telegram. The sole purpose of my trip there was to set up a branch of the Kim Tae-chung Peace Foundation for the Asia Pacific Affairs and to publicize the foundation."

The prosecutors reportedly asked Kim how he came into contact with Choe and whether he was aware of Choe's alleged alteration of the confidential Foreign Ministry telegram.

At that time Kim was the special foundation assistant for Chairman Kim Tae-chung. Prior to meeting Kim, Choe was said to have sent a letter to Kim supporting the foundation's causes and activities and his desire to meet him in Wellington.

According to prosecution officials, Choe allegedly had more than 30 long-distance telephone conversations with a number of people here including those involved in the delivery of the telegram in question for 15 days beginning May 23 last year.

The prosecution will decide Tuesday when to summon Rep. Kwon No-kap in connection with the document forgery case.

ROK: Ministry Reports Operational Failure of CDMA Systems

SK1405013896 Seoul THE KOREA TIMES in English 14 May 96 p 8

[FBIS Transcribed Text] A number of CDMA (code division multiple access) systems installed by the nation's leading companies have been disqualified by providers of cellular telecommunications service.

In a report yesterday, the Ministry of Information and Communication said equipment installed at 14 of the 154 stations of Korea Mobile Telecom by LG Information failed operational tests.

Of the 149 pieces of earth station equipment installed at the facilities of Sinsegi Telecomm by Samsung Electronics, three failed to fulfill the required criteria, ministry officials said.

The operational failure of the systems comes as a shock since the two companies have long been contending that they are the world's leaders in the commercialization of CDMA cellular phone services.

The digital systems are not even offered in such advanced countries as the United States, and Korean companies insist they are pioneers in the field.

"The latest test results show that there is still some way to go before the system is fully commercialized, and there is evidence that there are still some shortfalls in the existing systems," one ministry official said.

As it stands, the two companies have until the end of next month to determine the cause of the problem and fix it before they get disqualified all together.

The CDMA digital cellular systems are currently being operated by Sinsegi Telecomm, somewhat on a trial basis, but most other systems are analog in nature.

According to one LG official, the problems brought forth are minor and should be resolved before the end of next month. "Everything should be alright before commercial operation begins after June."

ROK: Trade Ministry Endeavors To Control Increasing Deficit

SK2005022496 Seoul THE KOREA TIMES in English 20 May 96 p 8

[FBIS Transcribed Text] The Ministry of Trade, Industry and Energy is initiating efforts to control the increasing deficit, which has grown to more than \$5 billion in the first four months of the year.

Trade, Industry Minister Pak Chae-yan has scheduled a series of meetings with business leaders in export-oriented industries to identify the problems at hand and develop effective strategies to improve the situation.

The trade deficit, estimated by the ministry earlier this year to reach more than \$7 billion, increased dramatically in the last few months after being contained at \$3.5 billion in the first quarter.

According to ministry officials, Pak is to meet with leaders of the electronics industry today to look into various changing conditions in the market.

In particular, discussions are expected to concentrate on the fact that out bound shipments of semiconductors, one of the mainstays of the export industry, increased by a dismal 3 percent between April 1-20 over the same month of last year.

One of the main reasons for the disappointing performance of semiconductors is that prices have been falling to an average \$24.50 and \$7.00 for the 16M and 4M DRAM (dynamic random access memory) chips, respectively, down 55.7 and 52.4 percent compared to those of a year ago.

Following the meeting with leaders of the Electronics Industries Association of Korea, Park will meet with members of the Korea Steel Manufacturers Association Thursday.

In the first 20 days of last month, exports fell by 55 percent, and the trade minister and executives of steelmaking companies will focus on how to deal with

the adverse conditions in the market, including the sudden decline in global demands.

Similarly, Pak will hold meetings with representatives of machinery and automobile makers' associations later this week to figure out ways of providing effective support to the export industries. Exports of automobiles increased by a slight 1.2 percent in the early part of last month, and even petrochemicals, which have in recent years led exports, saw a 14.1 percent improvement in shipments.

The government had anticipated the slowdown in exports this year. After posting an increase in outbound shipments of more than 30 percent last year, the ministry had projected that they would grow by no more than 14-15 percent this year;

"The continuing appreciation of the Korean won against the Japanese yen and the greenback is making Korean products less competitive in the global market," one MOTIE official explained.

ROK: ROK Gangsters Reportedly Flee to Los Angeles

SK1805040596 (Internet) The Digital Chosun Ilbo
WWW in English 1204 GMT 17 May 96

[FBIS Transcribed Text] A mass exodus of 20-30 members of the Korean organized crime ring So Pang Pa, fled to Los Angeles after the group's collapse, which resulted when their leader, Kim Tae-Chun, was arrested recently. In the 18th Asian Organized Crime meeting held in Los Angeles, the Seoul District Prosecutor, Pak Chong-kung, said that the former members of So Pang Pa are continuing their activities in the U.S., drawing upon members of the Los Angeles Korean community. According to Pak, he has received intelligence reports which link Korean crime rings with international crimes such as drug trafficking and hiring hit-men.

ROK: Chon Tu-hwan Testifies on Probe of 1979 Pak Assassination

SK2005113896 Seoul YONHAP in English
0721 GMT 20 May 96

[FBIS Transcribed Text] Seoul, May 20 (YONHAP) — Former President Chon Tu-hwan testified that the investigation in late 1979 of then-acting president Choe Kyu-ha in connection with President Pak Chong-hui's assassination had been conducted on the orders of then-martial law commander Gen. Chong Sung-hwa.

While responding to questions from the defense in a courtroom hearing on his involvement in the Dec. 12, 1979 army mutiny Monday, Chon claimed that the investigation of Choe had nothing do to with him and

his joint investigation office, since it was conducted by an army prosecutor following Chong's orders.

Chong ordered army prosecutors to investigate whether Choe was involved in Pak's assassination and the military prosecutor in charge of the assassination case visited Chon at his joint investigation office and asked that he cooperate in the investigation of Choe, Chon said.

Chon reported it to Choe and obtained his consent to be investigated, and Army Prosecutor Chon Chang-yol questioned Choe at his residence on Dec. 1, 1979, the ex-president explained.

Chon also testified that he directed his senior investigator Yi Hak-pong and others to question martial law commander Chong in connection with Pak's assassination at his office on Oct. 29, 1979.

But Chong prevented investigators from asking damaging questions and only would allow them to write down his version of what happened, Chon claimed.

[Korean] Central Intelligence Agency Director Kim Chae-kyu, Pak's assassin, confessed to having had a three-stage revolution plan in an interrogation on Nov. 8, 1979, Chon said.

In the first-stage, Kim was to involve then-army chief of staff Chong Sung-hwa in the assassination of Pak by having him stand near the assassination scene. In the second stage, Chong was to have acting president Choe declare martial law and mobilize army troops to place major military facilities under the army's control. In the third and final stage, Chong was to place major government facilities under the army's control and form a revolutionary committee to take power.

ROK: Liberalization of Local Bond Market Set for July

SK2005113996 Seoul YONHAP in English
0814 GMT 20 May 96

[FBIS Transcribed Text] Seoul, May 20 (YONHAP) — The government will open the bond issue market to foreign governments, foreign public organizations, foreign financial institutions and foreign corporations in July, according to the Finance and Economy Ministry.

Under the bond issue market liberalization plan the ministry announced Monday [20 May], those eligible to issue won-denominated bonds in the country are required to obtain a credit rating of triple B or better from any of the nine Korean and foreign bond rating service companies designated by the Securities and Exchange Commission, as required of domestic firms issuing foreign currency-denominated bonds overseas.

In addition, foreign corporations applying for approval to issue won-denominated bonds must be listed on the stock markets in their home countries.

The lead manager of the issuance of won-denominated bonds for a foreign institution may sell up to half of the issue overseas at a price different from the price in South Korea.

Foreign investors will not, however, be allowed to buy won-denominated bonds issued by foreign institutions in South Korea, because this would be tantamount to opening the bond trading market to foreign investors.

International financial organizations were first allowed to issue won-denominated funds last year, and the Asian Development Bank raised 100 million U.S. dollars domestically by issuing won-denominated bonds for the same value last September.

The World Bank is reportedly planning to issue won-denominated bonds worth 100 million dollars next month.

Up to half of these won-denominated bonds issued by international financial organizations will also be sold overseas, beginning next month.

ROK: Bank of Korea Reports on Beneficiaries of Business Boom

*SK1805053096 Seoul YONHAP in English
0135 GMT 18 May 96*

[FBIS Transcribed Text] Seoul, May 18 (YONHAP) — Most corporations, except for those in the financial sector, were the largest beneficiaries of the business boom that ended last year.

The Bank of Korea reported Saturday [18 May] that net aggregate corporate profit jumped 116 percent from 5.22 trillion won in 1992 to 11.28 trillion won (14.4 billion U.S. dollars) in 1994.

The surge is remarkable when compared to a 27-percent expansion in the gross national product (GNP), or the total value of the goods and services produced during the same period.

And the rate of growth in the nation's total disposable income was even slower than GNP growth, rising 23 percent from 162.53 trillion won to 200.28 trillion won.

In light of the bipolar industrial expansion during the expansion, however, the real beneficiaries were large companies in the semiconductor, automobile, steel and shipbuilding sectors, while small and medium-sized businesses in the footwear, textile and leather sectors benefited little from the boom, the central bank said.

The government was the second largest beneficiary of the boom, with tax revenues soaring 36 percent from 43.8 trillion won to 59.64 trillion won in the two-year period.

ROK: Kwangju Holding Festival To Mark 1980 Incident

*SK1705140796 Seoul YONHAP in English
1243 GMT 17 May 96*

[FBIS Transcribed Text] Kwangju, May 17 (YONHAP) — A mammoth music and dance festival along the Kumnam-ro Square here marked the eve of the 16th anniversary of the tragic Kwangju uprising Friday [17 May] evening.

About 20,000 Kwangju citizens filled the wide plaza to listen to poem reciting, join chorus and watch dances in the festival begun at 7 pm under the sponsorship of the Committee for Commemorative Programs for the 16th Anniversary of the May 18 Incident.

In the first anniversary eve program, many pop singers and other leading entertainers participated to soothe Kwangju's pains and pay tribute to those killed in the bloody democratization movement.

"We have prepared the anniversary eve program in an effort to show visitors the true victory of history and the message of peace," Ho Yon-sik, head of the program planning team, said.

A memorial service is planned at the Mangwol-tong Cemetery Saturday morning, which will be followed in the afternoon by a mammoth ceremony marking the 16th anniversary of the uprising and also a national rally for the complete resolution of the May 18 incident at the Kumnam-ro Square.

ROK: 7 Percent-Economic Growth Rate Predicted for 2d Half of 1996

*SK1705135996 Seoul YONHAP in English
0759 GMT 17 May 96*

[FBIS Transcribed Text] Seoul, May 17 (YONHAP) — South Korea's economy is expected to make a soft landing in the second half of this year with a 7.0 percent growth, following a 7.3-percent growth in the first half, the Bank of Korea [BOK] said on Friday [17 May].

The Central Bank's report on the "economic outlook for the latter half of the year" predicted that the growth of the Gross Domestic Product (GDP) will slow down in the latter half of this year as a result of decline in the growth of exports and capital investment. The envisaged yearly economic growth was given at 7.2 percent, compared with 9.0 percent last year.

Private-sector consumption and construction investment are to substitute exports as a leading supporter of economic growth, the report said.

The growth of capital investment will be 7.0 percent in the second half, lower than 11.1 percent in the same period of 1995, but private-sector consumption and construction investment are expected to show relatively high rates of growth — 7.2 percent and 7.0 percent, respectively.

A sharp fall in the growth of imports will bring forth a 1.8-billion-dollar trade surplus, lowering trade deficit from 4.75 billion U.S. dollars in 1995 to about 2.3 billion dollars for the whole of this year.

The invisible trade will register 2.3 billion dollars in deficit during the latter half, bringing the yearly deficit to 5.6 billion dollars.

The current account deficit is, therefore, likely to decline slightly from 8.8 billion dollars last year to 7.9 billion dollars this year, the BOK said.

Consumer prices were predicted to grow a modest 1.3 percent, a remarkable drop from the first half's 3.4 percent, reducing the year's inflation to 4.7 percent, about the same as last year.

ROK: 13 People Arrested for Trying To Form 'Workers Party'

SK1705035796 Seoul CHOSON ILBO in Korean
17 May 96 p 1

[Report by Hong Hyo-kyun]

[FBIS Translated Text] On 16 May, the National Police Agency announced that "nine people, including Son Yong-u (25, a graduate of Tongguk University), former chairman of the Central Committee of the National Political Alliance of Students [Chonhangnyon], were arrested in violation of the National Security Law which bans the formation of an organization that benefits the enemy." It also revealed that "eight people, including Om Hyong-sik (22, a French-major senior at the Hanguk University of Foreign Studies), chairman of the Chonhangnyon, are wanted by the police on the same charges."

On this day, the Defense Security Command of the ROK Army also announced that "Kim Il-yong (26, a law major at Seoul National University who is on temporary leave) and three other soldiers have been arrested on the same charges and are being questioned."

The police then added: "They are suspected of having formed the Chonhangnyon with a view to 'forming a socialist workers party' at Tongguk University in March 1994 with some 100 students from 27 universities in

attendance and of having masterminded various illegal rallies and waged the struggles for the alliance between workers and students for the last two years."

ROK: Iron Company Plans To Reuse All Wastewater by 2000

SK2005020096 Seoul THE KOREA TIMES in English
20 May 96 p 3

[FBIS Transcribed Text] Pohang Iron and Steel Company (POSCO), one of the world's largest steel firms, plans to reuse all of its wastewater by 2000 by purifying it at its own plants to be built.

The steel maker will invest a total of 81 billion won (about \$102 million) in setting up the water treatment plants on a gradual basis. It aims to complete them by the turn of the new century.

In 1998, the projected plants will be able to purify 10,000 tons of wastewater a day, and the daily capacity will increase to 40,000 tons in 2000, the Environment Ministry announced, according to a report by the nation's leading steel firm based in Pohang, Kyongsangpuk-to.

At present, POSCO uses as much as 140,000 tons of water a day and releases 36,000 tons of wastewater, or 25.7 percent of the total volume, into nearby streams and the sea off the southeast coast.

However, the company is expected to use 170,000 tons daily in 2000, discharging an estimated 41,000 tons of wastewater unless no water purifying plants are constructed.

The construction of the plants is the nation's largest such project ever to be undertaken by an institution other than the central or local government.

In a similar "no wastewater discharge project," the ministry announced earlier this year that the Incheon International Airport now under construction at Yongjong Island off Incheon will not discharge a single drop of used water.

Everland in Yongin, Kyonggi-to, and Lotte World in Chamsil, southern Seoul, are reusing part of their wastewater after treating it at their own plants.

But, Incheon International Airport and POSCO will become the first two institutions to reuse all of its wastewater.

In particular, the projected water treatment plants at POSCO to adopt the reverse osmosis (RO) method is expected to help lessen the chronic shortages of piped water supplied by the Yongchon Dam to Pohang and the nearby southeastern part of Kyongsangpuk-to.

It will also help improve deteriorating water quality in Yongil Bay adjacent to POSCO, as well as the Kumho River, which flows into Taegu City, ministry officials said.

Residents and industrial firms in the southwestern part of Kyongsangbuk-do had suffered a serious water shortage mainly due to a serious drought there during the past years.

A ministry official in charge of the water supply policy said that the ministry is positively encouraging consumers of huge amounts of piped water to set up water treatment plants for recycling purposes.

ROK: Kim Yong-sam, Opposition Leaders Attend Kwangju Memorial

SK1805053496 Seoul YONHAP in English
0257 GMT 18 May 96

[FBIS Transcribed Text] Kwangju, May 18 (YONHAP) — A memorial service marking the 16th anniversary of the May 18 Kwangju uprising was held Saturday [18 May] morning at the Mangwol-tong cemetery here.

The service was the first of its kind held since former Presidents Chon Tu-hwan and No Tae-u and their cronies have been gone on trial for, among other things, massacring Kwangju citizens 16 years ago under the newly-legislated May 18 Special Law.

It will also be the last one held at the Mangwol-tong cemetery since the 17th anniversary memorial service is scheduled at a newly consecrated May 18 cemetery currently under construction.

More than 5,000 people including the bereaved families of uprising victims, Kwangju citizens and visitors from across the country attended the memorial service. President Kim Yong-sam, Kim Tae-chung, leader of the major opposition National Congress for New Politics, and Yi Hong-ku, chairman of the ruling New Korea Party were among more than 20 dignitaries who had wreaths sent for the occasion.

Chairman of the Kwangju Uprising Commemoration Committee, Kang Sin-suk, addressing the service, said, "Kwangju is now striving to be reborn through the appropriate resolution of issues involving the Kwangju uprising... Kwangju will be born again not as a region in the southwestern part of the country, but as a center dedicated to diffusing throughout the country and globalizing the May 18 spirit, a genuine reconciliation and unification of the nation and world peace."

The commemoration committee is going to hold a "national rally for complete resolution of May 18 issues"

at the plaza in front of the South Cholla provincial government building at 4 PM Saturday.

ROK: Environmental Policy Implementation Dilemma Discussed

SK1905004096 (Internet) The Digital Chosun Ilbo
WWW in English 1206 GMT 18 May 96

[Editorial: "Environmental Policy of the OECD"]

[FBIS Transcribed Text] At last week's meeting of the OECD Environmental Policy Committee, Korea pledged to accept all 65 of the related provisions stipulated by the committee. However, several European countries have already started protesting our stance on the U.N. Framework Convention on Climate Change, which may delay our membership into the OECD. The provisions in question must be followed in order to improve our environmental policy and bring it up to speed. However, to carry them out to the extent requested by advanced countries, will bring with it an economic burden too great to bear.

Even if our government succeeds in its venture to gain entrance into the OECD, while being exempt from all of the duties required of an advanced nation, we will still be under great pressure to take up our part in the protection of the environment. Ironically, at the Climate Conference in April of 1995, Korea supported strengthening the responsibilities advanced countries in protecting the environment. Just a year later, our activism is backfiring, as we feel the same pressure we once applied, now that we are up for advanced nation status. By trying to have our cake and eat it too, claiming whichever status suits our desires best, it is likely that in the end, we will simply be ostracized from both the OECD and the G-77 of developing nations.

Part of the dilemma lies in the fact that Korea relies on the burning of fossil fuels as an energy source. As we transition, we are caught in the middle, where we create the amount of pollution of a developing nation, but are unable to afford implementation of the environmental restrictions with the same ease as an advanced nation. We need to make our situation understood: that we can take measures to protect the environment according to our ability, but that we need to maintain our current level of economic development.

Before returning to negotiations with the OECD, however, we must coordinate efforts on writing economic and financial policy, energy and industrial policy, and environmental policy. Ironically, in 1994, the government disbanded the one organization which covered all of these areas. It is hardly a surprise, then that our negotiations lack harmony.

ROK: Editorial Comments on Shihwa Lake Environmental 'Fiasco'

SK1705013896 (Internet) The Digital Chosun Ilbo
WWW in English 1212 GMT 16 May 96

[Editorial: "Something Is Rotten in Shi-hwa"]

[FBIS Transcribed Text] The Shi-hwa development project, in progress since 1987, has quickly come to the verge of collapse. Originally, grandiose plans entailed the creation of a freshwater lake 20 times the size of Youido, by erecting an artificial sea wall along the Western Sea. The resulting area was to be used to develop a complex of agricultural, industrial, and recreational areas, using the newly created Shi-hwa Lake as a source of water. However, this dream is fading as the water, blocked off without a purification system, continues to putrefy. At this point, the water is so contaminated that it cannot be used even for agricultural or industrial purposes.

It is hardly necessary to say that we are disappointed and angry. It is pathetic that 490 billion won has been spent to create what has essentially become a huge hazardous waste fiasco. Further, to even attempt to solve the problem by installing a purification system, would require an additional 2 trillion won.

According to experts, there were insufficient appraisals of the project's environmental impact before government officials voted to proceed. As if this were not enough, there is another development project underway, which plans to use water from Shi-hwa Lake for agricultural purposes in Kubong. It is inconceivable that the government is able to justify a further waste of taxpayers money to create yet another environmental disaster.

Rather, as part of the new government's most pressing agenda, officials need to assign responsibility for the failure of the Shi-hwa development project, and create a plan to deal with this crisis at once.

ROK: Association Suspends Nationwide Shutdown of Herbal Clinics

SK1905021696 Seoul THE KOREA HERALD
in English 19 May 96 p 3

[FBIS Transcribed Text] The Association of Korean Oriental Medical (AKOM) announced yesterday that it will temporarily suspend a nationwide shut-down of herbal clinics operated by its members.

But the AKOM said that it will wage battles against the government which is pushing to conduct today as scheduled a state-administered exam to license pharmacists to compound Oriental medicines.

"We decided to stop temporarily nationwide closing of herbal clinics on grounds that the shut-down can serve as a stumbling block to our long-term struggle," the AKOM said in a statement released yesterday.

The decision, however, seems to have been made in the wake of strong measures taken by the government.

The Fair Trade Commission yesterday launched an investigation into the shut-down of Oriental clinics to determine whether or not the actions violate laws.

The prosecution also began an investigation into the case involving nine professors who walked out from a site where they were preparing the exam at the request of the Ministry of Health and Welfare.

On Friday (17 May), the ministry filed a complaint with the court against the nine professors on charges of preventing the ministry in discharge of its official duties.

In addition, the ministry instructed heads of related provincial administrative bodies to levy a penalty on herbal doctors who closed their clinics or file a suit with the court against them unless the clinics are reopened.

In the meantime, herbal doctors continued to protest yesterday against the government's decision to push ahead with the state test as scheduled.

About 2,000 members of the AKOM rallied at Changchungdan Park in central Seoul to urge the government not to administer the state test. Later in the day, the members turned their licenses in to the ministry.

After today's exam, the dispute between herbal doctors and pharmacists is unlikely to calm down soon because both sides plan to wage a fierce battle against each other.

Oriental medical students are expected to clash with riot police vehemently as the students are planning to block pharmacists from entering examination sites today.

Students from pharmaceutical colleges across the country plan to conduct a poll Wednesday to decide whether or not they will boycott classes.

They criticized the government for deciding Thursday to give only those majoring in Oriental medicine at pharmaceutical colleges a chance to apply for exams to be held after the two scheduled tests.

ROK: Oriental Medicine-Pharmaceutical Policy Renounced

SK1705042796 Seoul THE KOREA TIMES in English
17 May 96 p 1

[By staff reporter Hong Sun-hui]

[FBIS Transcribed Text] The government hurriedly offered a change in the pharmaceutical education and licensing systems yesterday to put out the dispute between Oriental and Western medicine dealers but an early solution was not in sight.

The present four-year courses at pharmacy colleges will be lengthened to five or six years like those at medical schools, and only Oriental pharmacy majors will be allowed to take the state-run exams for licenses to dispense Oriental medicine, it was announced yesterday.

Health-Welfare Minister Kim Yang-pae said in a press conference following his visit to Chongwadae in the morning that the ministry would conduct an examination to license Western pharmacists to dispense herb medicine on May 19 as planned despite vehement protests from Oriental doctors.

Under the new system, only those graduating from Oriental pharmacy departments to be newly introduced at pharmacy colleges will be allowed to take the exam after the expiration of a temporary enforcement decree to the Pharmacy Law under which the licensing for existing pharmacists is being carried out.

Accommodating the wishes of Oriental medical circles, the ministry will create a director general's post in charge of Oriental medicine and will hire Oriental medical doctors as public health workers, Minister Kim said.

However, the hastily-arranged measures were declared unacceptable by both of the two interest groups.

Some 6,000 members of the Oriental Medical Association [OMA] of Korea will shut down their clinics should

the ministry carry out the exam this coming Sunday [19 May] with questions drafted by professors of pharmacy exclusively.

On Wednesday, all nine Oriental medical college professors on the committee preparing the exam walked out in disagreement with pharmacy professors over the content of the exam. The Oriental doctors urged the pharmacy professors on several occasions to make the questions more difficult but their requests were denied.

Meanwhile, pharmacists are frustrated that the ministry will now not keep its word to give those who are unsuccessful in the upcoming exam one more chance. At any rate, the groups are playing turf war with the health of the public as hostage.

Nearly all drug stores are expected to close this Sunday as some 25,000 pharmacists participate in the exam.

"Oriental doctors have no choice but to resort to a strike if the ministry asks exam questions prepared exclusively by pharmacy professors. The ministry should postpone the Sunday exam and reschedule it with exam questions drafted by Oriental medical professors," said Yi Pom-yong, vice president of the OMA-Korea.

If the ministry refuses to do this, OMA doctors will shave their heads from today and leave their practices across the country, Yi said.

As of yesterday, professors at Oriental medical colleges at Taejon, Kyonghui and Kyongsang Universities have tendered their resignations and those at eight other colleges are expected to follow suit.

Meanwhile, some 4,000 students at Oriental medical colleges started class boycotts Wednesday in accordance with a poll conducted Tuesday, only about two months after they ended a six-month class boycott.

Burma

Burma: Commercial Tax Exempted To Boost Exports

BK2205091296 Rangoon TV Myanmar Network
in Burmese 1330 GMT 21 May 96

[Ministry of Finance and Revenue Notification No.77/96 issued in Rangoon on 21 May 1996]

[FBIS Translated Text] 1. In order to boost national exports the following export product categories have been exempted from commercial tax in accord with Section 8, Subsection-D of the Commercial Tax Law.

- a. agricultural and farm products,
 - b. fresh-water and salt-water fishes, prawns, and fishery products,
 - c. timber-based value added products,
 - d. forestry products apart from timber,
 - e. paintings, sculpture, lacquer ware, and other handicrafts not including antiques,
 - f. locally-manufactured garments and leather goods,
2. Commercial tax will be levied as before on the seller of the above products to exporters for export.
3. This notification overrules relevant sections in the following memorandum and notifications:
- a. Section-A of the second paragraph of the Ministry of Finance and Revenue's Memorandum No. Bagon Khakhwe 1/299 (1323/94), dated 7-6-94;
 - b. The Ministry of Finance and Revenue's Notification No.145/94, dated 16-11-94;
 - c. The Ministry of Finance and Revenue's Notification No.163/94, dated 16-12-94;
 - d. The Ministry of Finance and Revenue's Notification No.58/95, dated 28-4-95;
4. This notification is effective from 15 May 1996.

Burma: Suu Kyi Says Detentions Not To Stop Party Conference

BK2105132496 Hong Kong AFP in English
1318 GMT 21 May 96

[FBIS Transcribed Text] BANGKOK, May 21 (AFP) — Burmese opposition leader Aung San Suu Kyi said Tuesday that a wave of detentions against members of her National League for Democracy (NLD) would not be allowed to halt a planned party conference.

Reached by telephone at her home in Rangoon, Aung San Suu Kyi said the conference, scheduled to be held between May 26 and 29, would go ahead although there would be "possibly fewer than anticipated."

She confirmed that 44 NLD candidates who won election in 1990 and two wives had been detained in the past two days, and that many more were also believed held.

Burma's military rulers "have to be very, very nervous to consider the 200-300 (people expected at the conference) a threat to their position," she said.

The planned conference coincides with the sixth anniversary of abortive general elections swept by the NLD. The junta however refused to step down and instead moved against the opposition.

Aung San Suu Kyi said NLD candidates elected in the May 27, 1990, ballot considered they "still have a duty" to the people who voted for them and had thus decided to meet and deliberate.

She declined to say what, if any, action was anticipated.

Fellow NLD official Aung Shwe wrote Tuesday to Senior General Than Shwe to protest the detentions and ask that those held be released.

Burma: Aung San Suu Kyi Senior Staff Member Reportedly Detained

LD2205081096 Melbourne Radio Australia
in English 0700 GMT 22 May 96

[FBIS Transcribed Text] Burma's opposition says 80 of their members have now been detained in the biggest government crackdown in years. They include the most senior member of Aung San Suu Kyi's staff to be taken in so far, key adviser (U Win Thein). The military regime is attempting to prevent a major opposition meeting on 26 May.

Opposition officials say 30 arrests in the capital, Rangoon, have taken the total to 80 people detained in the nationwide crackdown so far, with more arrests continuing. At least 78 of them are National League for Democracy (NLD) members elected in a 1990 poll still ignored by the regime.

A key member of Suu Kyi's staff, U Win Thein, was taken in from his home overnight. He is the most senior opposition figure so far arrested, but Suu Kyi's officials expect the crackdown to focus on rank-and-file elected members of the NLD to prevent a meeting of elected NLD members called for Sunday. They say the meeting will go ahead as planned, but the government may try to prevent members attending by blocking the street.

Burma: NLD Spokesman Says 80 Opposition Politicians Detained

BK2205041496 Hong Kong AFP in English
0404 GMT 22 May 96

[FBIS Transcribed Text] BANGKOK, May 22 (AFP) — Burma's military rulers have detained at least 80 people in an effort to prevent the opposition National League for Democracy (NLD) from holding a meeting to mark their election victory in 1990.

The NLD has confirmed the junta has detained 80 people, and "we expect the number to go higher, NLD spokesman Aye Win said Wednesday.

Burma: Buddhist Karens Plan Major Offensive on KNU

BK2205074496 Bangkok THAILAND TIMES
in English 22 May 96 p A2

[Report by Atsawin Phinitwong]

[FBIS Transcribed Text] The Democratic Karen Buddhist Army (DKBA) is planning to retake Puluplaw camp from the Karen National Union (KNU) and also attack two refugee camps in Thailand, said a Thai border officer.

The rebel KNU troops of 7th Division, led by its leader Tin Maung, recently held an urgent meeting at a KNU base on the Thai-Burmese border which is opposite the Mae La refugee camp in Mae La sub-district, Tha Song Yang district of Tak province.

The KNU troops are prepared to defend their positions from the DKBA's attack, said a KNU officer.

The Puluplaw camp is located opposite Ban Nong Bua village of Tha Song Yang district.

On Sunday, more than 100 Karen civilians fled into Thai territory after severe fighting took place between the two rival guerrillas, said the border officer.

Both several DKBA and KNU men were killed and injured in the four hour clash at Puluplaw. The 200-strong DKBA guerrillas tried to overrun the camp, but about 300 KNU reinforcement troops managed to drive the attackers away.

The Puluplaw camp, originally belonged to the KNU, was seized by the DKBA after major KNU strongholds fell to the Burmese troops early last year. The KNU retook the camp recently.

According to the border officer, the DKBA had asked the Burmese army to provide backing from the 13th Infantry of the Tagarni camp and 208th fast mobilized battalion in Burma opposite Tha Song Yang district.

It is uncertain whether Burma will provide reinforcement to the DKBA request because Rangoon is still negotiating cease-fire with the KNU.

Thailand has also deployed some troops in Ban Nong Bua village border area opposite Puluplaw camp. The Naresuang Special Task Force and 4th Infantry Special Task Force have joined the 344th Border Patrol Police in the area to defend any incursions from foreign troops, the officer said.

Brunei, Malaysia & Singapore**Malaysia****Malaysia: Minister: U.S.-China Trade Row May Affect Other Nations**

BK2105120196 Kuala Lumpur NEW STRAITS TIMES
in English 18 May 96 p 22

[Unattributed report]

[FBIS Transcribed Text] The strained U.S.-China relations over the latter's intellectual property protection system, which many fear could culminate into a trade war, will have an impact on other nations and the global trade arrangement.

"As usual, trade wars do have its spin-offs; we hope that they will resolve it," international Trade and Industry Minister Datuk Sri Rafidah Aziz said when commenting on the on-going talks between the two superpowers to resolve what the U.S. claimed to be lack of intellectual property protection system in China.

The U.S. has threatened to slap punitive duties on U.S.\$2 billion (RM [Malaysian ringgit] 5 billion) worth of Chinese imports in mid-June if Beijing fails to crack down on the continued piracy of U.S. entertainment and computer software by Chinese companies.

China, on the other hand vowed to retaliate.

Rafidah said when one nation took unilateral action against another, "it does not augur well with WTO's (World Trade Organisation) efforts to provide a parameter for harmonious trading".

"No doubt, China is not yet in WTO and so (other) countries can take action but I hope this is not a trend because China is supposed to join WTO eventually," she said after launching Land & General Bhd's high-tech arm Lang Sensor Technology Sdn Bhd and its flagship product Detech in Kuala Lumpur yesterday.

Rafidah said although the exchange of threats between U.S. and China was beyond "political rhetoric" she did not foresee the strained relations evolving into a full-blown trade war.

"I'm sure both parties will exercise restraint but nevertheless when you start picking on each other it could become something like the Japan-U.S., and U.S.-European Union (trade wars) between important trading nations."

Malaysia: China's Zhu Rongji Arrives for Five-Day State Visit

BK2205094096 Kuala Lumpur Voice of Malaysia in English 0800 GMT 22 May 96

[FBIS Transcribed Text] China's Vice Premier Zhu Rongji arrived in Kuala Lumpur today for a five-day official visit. During his visit, Zhu will call on Deputy Prime Minister Datuk Sri Anwar Ibrahim and attend an official dinner tonight.

Tomorrow, Zhu is scheduled to attend a briefing at the Economic Planning Unit, visit Parliament House and the Proton [national car] Plant in Shah Alam.

Singapore

Singapore: Indonesian Central Bank Gets \$500 Million Standby Loan

BK2205064196 Jakarta KOMPAS in English 22 May 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Singapore, KOMPAS Online — Bank Indonesia (BI) has obtained a stand-by loan of US\$ 500 million (approximately Rp [rupiah] 1.15 trillion) from 44 banks spread through nine countries. To maintain the loan Indonesia is obligated to pay a 0.31 percent commitment fee. The syndicated fee agreement has already been signed by Indonesia and the donor banks.

KOMPAS reporter Simon Saragih reported that the Director of BI Paul Sutopo was accompanied by Heru Suprptomono (also a director of BI) when he signed the loan agreement on Tuesday (21/5).

Of the 44 banks there are six coordinating banks including Banque Nationale de Paris (Singapore Branch), Chase Manhattan Ltd. (for the ASEAN region), DKB Asia Ltd, Dresdner (ASEAN region) Ltd, IBJ Ltd. (Japan), Tokyo-Mitsubishi International (Hong Kong branch).

According to Paul Soetopo the stand-by loan will be used for a number of purposes. But the focus will be to safeguard the balance of payments, he said. This measure is designed help Indonesia face the sudden withdrawal of the US dollar.

Since 1984 Indonesia has held reserves of stand-by loans but Sutopo maintains that this loan is by far the most advantageous because it is multi-purpose. Rather

that using loans which carry high interest rates and rigid conditions, it is better we use stand-by loans, he maintained, adding that after an eight year period the stand-by loan will expire but may be used for anything in this eight year period.

The loan is also only subject to LIBOR interest (London Interbank Offered Rate) with an additional 0.625 percent interest charge. Additionally Bank Indonesia is in the position to repay the funds when the money becomes available. A stand-by loan is designed to support foreign reserves and safeguard the balance of payments.

In addition to obtaining the US\$ 500 million stand-by loan, BI has also signed a multiple stand-by loan, bringing the accumulative stand-by loan to as much as US\$ 2 billion. To repay past outstanding stand-by loans this new stand-by loan agreement has been signed, Sutopo added.

The current account deficit for 1996-1997 has been forecast at around US\$ 8.7 billion. In efforts to soften this deficit threat, BI has prepared over US\$15.9 billion in foreign reserves.

Singapore: Lee Kuan Yew on Property Purchases in Parliament

BK2205072896 Singapore THE STRAITS TIMES in English 22 May 96

[Report by Warren Fernandez — received via Internet]

[FBIS Transcribed Text] Parliament yesterday debated the sale of condominium units by Hotel Properties Limited (HPL) to Senior Minister [SM] Lee Kuan Yew and Deputy Prime Minister [DPM] Lee Hsien Loong and heard that these were open and above-board transactions.

Senior Minister Lee held center stage during the four-hour session as he gave his first public account of the circumstances in which HPL had sold units in Nassim Jade and Scotts 28 to him and DPM Lee last year at discounts of between 5 and 12 percent.

He revealed that he was "astonished" when told that questions were being raised about the purchases. Neither he nor his wife had thought that the sales were irregular or improper. Otherwise, they would not have proceeded with them, he said.

"I am what I am. And I am here after 37 years in office because I have never taken advantage financially of my position. And for \$460,000, \$470,000 to go and do something which was improper?...It is absurd."

He argued that he had "no compunction that what he had done was right" and was confident that any commission

of inquiry or even a prosecution would find that there had been no impropriety. "That is why I have not the slightest problem meeting you, or the people of the press, or the people of Singapore," he said.

He added that DPM Lee was also not "brought up to take a little grease." His son was "brought up straight and was likely to stay straight."

The debate was kicked off by Prime Minister [PM] Goh Chok Tong, who said that while he had never doubted SM Lee's integrity, he had to look into market talk that SM Lee had been offered units in all of HPL's property projects "to protect the reputation of the government." The probe found no wrong-doing.

DPM Lee followed next, giving his account of the purchases. He disclosed that he was offered a unit at Nassim Jade for \$3,645,100, at a 12 percent discount, after he agreed to swap his original choice of unit, which was sought after by two other buyers, for another.

He was quoted the price in dollars and no mention was made of the percentage discount. He only found out about the discount in March when he looked up his files and compared the price he agreed to with the price list he had obtained from the company, after PM Goh had asked him what discounts he had received. Similarly, he only found out that he had been given a 5 percent discount on the unit at Scotts 28, which he paid \$2,776,400 for, in April this year, after he asked his lawyer to check with the developers.

SM Lee later told the House that it was Mrs. Lee who had decided to buy the two units, one of them in his name. She had accepted the price quoted by the developer, of \$3,578,260 for Nassim Jade and \$2,791,500 for Scotts 28, without bargaining.

Continuing, he said that he took great pride in the way PM Goh and his team had not shrunk from investigating the matter even though he and DPM Lee were at the center of the controversy. This was in marked contrast to Taiwan and Hong Kong, where queries had also been raised about the purchase of properties by leaders. "In the other two cases, no investigation, no comment. And Singapore, you have the facts," he said.

By doing so, the second generation leaders showed that they were able to maintain the same standards of integrity in government that he had spent his life establishing.

SM Lee added that he had been told that while many Singaporeans did not doubt the legality of the purchases, some people, especially young professionals, were unhappy that ministers, MPs, and permanent secretaries appeared to be on an "inside track".

He argued that while it was possible for the government to adopt a level playing field, such as by having open tendering for the sale of land, it could not force the private sector to do likewise.

Citing several examples, he noted that Johnson and Johnson had been pleased that he had decided to have its Palmaz-Schatz stent inserted in his blocked artery as "there was some added value to this stent if I've got one in my coronary artery and it's alive," he said, to laughter.

His tailor, shoemaker, and car salesmen had also offered him special prices because he "was their walking model".

"Let us be a little realistic. Do not expect that the government can force the private sector to give you, the professionals, a level playing field. No. It's their business. They want to get the best customer that will help them sell their product, add value."

Later, he rose several times to engage opposition MP Chiam See Tong, who argued that the public was unhappy that ministers were speculating in properties despite earning high salaries. He replied that the properties bought had not been sold. Besides, the two properties, which amounted to about \$10 million, could not have been bought on his ministerial salary.

It was Mrs. Lee's income that had enabled him to continue in office over the years despite the paltry sum he was paid. But Singapore could not rely on future ministers having well-paid wives to help support them, he said.

This, he added, was why he had urged the prime minister to peg ministerial salaries to market rates. Singapore had succeeded because it had honest men of integrity and commitment in charge, but they "are not Jesuits", he said, to applause from MPs at the end of his 95-minute speech.

Ministers and MPs later joined the debate. Deputy Prime Minister Tony Tan, former Cabinet Minister S. Dhanabalan and Mr. Heng Chiang Meng (Cheng San GRC), who is president of the Real Estate Developer's Association (Redas), told the House that it was normal practice for developers to cite high list prices and offer customers varying discounts.

The debate continues today, when another 14 MPs are scheduled to speak.

Cambodia

Cambodia: Sihanouk Welcomes Chea Sim's Visit to Beijing

*BK2205090996 Phnom Penh National Radio of Cambodia Network in Cambodian
0200 GMT 22 May 96*

[FBIS Translated Text] His Majesty, who is presently staying in Beijing, China, for medical treatment, sent a message to Samdech Chea Sim, acting head of state and chairman of the National Assembly of the Kingdom of Cambodia, on 19 May.

The message reads:

Beloved and esteemed samdech:

I have already received the letter asking for permission for yourself and other three persons to travel to China on 24 May to see me in order to let me know how the people feel about me. I would like to thank you for that. I feel extremely touched by the aforementioned information and wish to warmly welcome you to stay at Beijing Palace along with the three individuals who will accompany you. On the afternoon of 24 May at 1930, I and the supreme royal consort will be greatly honored to host a dinner for you.

Please, samdech, accept my profound affection and regards and that of the supreme royal consort.

Cambodia: Attempts To Block Funeral Procession of Editor Seen

*BK2205074396 Hong Kong AFP in English
0606 GMT 22 May 96*

[Report by Matthew Lee]

[FBIS Transcribed Text] PHNOM PENH, May 22 (AFP) — Hundreds of police armed with shock batons and assault rifles on Wednesday temporarily blocked the chaotic funeral procession of slain opposition newspaper editor, Thun Bunli.

The procession of about 60 people, led by Sam Rangsi, president of the banned opposition Khmer Nation Party (KNP), was stopped from marching past the National Assembly building almost as soon as it left KNP headquarters.

The mourners and the white truck bearing the body of Thun Bunli, a KNP official and editor of the Oddamkeakte Khmer (Khmer Ideal) newspaper, were then stopped from circling the capital's Independence Monument.

Thun Bunli was gunned down in broad daylight by two men on a motorcycle on Saturday in a busy Phnom Penh street.

Traffic along the capital's main thoroughfare, Norodom Boulevard, and sidestreets was snarled for almost three hours as shield-carrying military and civilian police closed off roads to channel the mourners' route.

Sam Rangsi blamed co-Premier Hun Sen, whom he has also hinted is at least partly responsible for the murder, for the blockades. The marchers overturned and drove the hearse through the first obstacle.

"He is frightened of the funeral procession," Sam Rangsi said.

After meeting a more substantial roadblock — which included two jeeps and a hastily assembled line of furniture taken from neighbouring houses behind the Royal Palace — the mourners removed the coffin and attempted to carry it before being physically stopped.

The procession was then allowed to continue along its original route on Norodom Boulevard after negotiations between Kem Sokha, the chairman of the parliament's Human Rights Commission and the Ministry of Interior.

Military transport trucks and riot police blocked all but one intersection along the road which leads to the towering Independence Monument which Sam Rangsi attempted to lead the procession around as a symbolic gesture.

The mourners were then blocked again apparently to prevent them from coming close to Hun Sen's house which sits diagonally across from the monument.

Sam Rangsi led about two dozen mourners into the monument for a sit-in protest, but left when about 25 to 30 soldiers with assault weapons moved in after 30 minutes and ordered them to leave.

Sam Rangsi said he agreed to leave because he had been told "force would be used" and because Thun Bunli's frail mother was not up for a lengthy ordeal under the hot sun.

The mourners finally made it to Wat Lanka — where Thun Bunli's cremation began at around 10:50 a.m. (0350 GMT) almost three hours after leaving KNP headquarters less than four kilometers away.

Scores of police stood guard outside the temple after the marchers arrived.

"We have achieved what we wanted," Sam Rangsi said after leaving the monument. "(The government) wanted him cremated immediately after his death, but now the whole world knows about Thun Bunli."

The KNP had earlier submitted a request for a lengthy funeral procession that would have cut through a large portion of the city, but municipal officials told him to stick to the direct route from the KNP office down Norodom Boulevard to the temple.

Sam Rangsi said before the march started that he intended to try to follow his originally planned route.

Cambodia: Khieu Samphan Urges Peasants To Revolt

BK2105121296 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 20 May 96

[Appeal by Khieu Samphan, prime minister of the Provisional Government of National Union and National Salvation and chairman of the National Union Party; place and date not given — recorded]

[FBIS Translated Text] Respected and beloved 7 million peasants and especially respected and beloved 6 million poor peasants; respected and beloved compatriots in all social strata: For more than 17 years communist Vietnam and its servile puppets and later UNTAC [UN Transitional Authority in Cambodia], the alliance, and the two heads have killed our nation, sacked our country from top to bottom, and inflicted upon our people untold hardship, misery, suffering, and death. At the same time, they have provoked deep-rooted conflicts against our nation and caused our people to rise up and fight back in all directions, in the rural areas, as well as in the cities and abroad. In particular, the poor peasants — who have been stripped of everything, bereft of all, but the flesh on their bony frames as they have lost all their land, houses, cattle, and rice fields and been forced to leave their birthplaces and drift aimlessly — rise up now and fight back at the enemy, smashing the villages and commune authorities; stopping to serve as soldiers and militiamen; and urging their sons and husbands who are soldiers and militiamen to come home, farm their fields, or perform other jobs in order to feed their own children and loved ones and prevent them from dying of hunger.

This has inflicted one setback after another on the old and new enemies, especially during this 18th dry season when they were handed their strategic and apparently final defeat.

The peasants, who in the past were the source from which the old and new enemies recruited their cannon fodder, that is, their troops to fight their war now have become a force opposing them, resisting them, and fighting them. It is because of this situation that I would like to appeal to our compatriots in all social strata to unite even more closely and continue to wage an even

more dynamic struggle under all forms, in the rural areas as well as in the cities and abroad.

I especially appeal to the following:

1. Brothers who are poor peasants, in light of the 18th dry season experience, you have now clearly realized your role and strength. Being aware of your own role and strength is very important. Stop believing in the heavens and the stars. In the past, you believed in the heavens and the stars. You implored the moon to give you rice and the stars to give you fortune, but you remained poor and miserable; you were unable to make ends meet. Now that you have begun to rise up and wage your own struggle, you have been able to inflict such heavy setbacks on the old and new enemies. I would like to appeal to you to rise up and struggle even more dynamically, in particular to fight and crush the enemy authorities in villages and communes, to prevent yourselves from being conscripted as soldiers and militiamen, and to continue urging your sons and husbands who still serve as soldiers and militiamen to come back home and stop being used by the old and new enemies to fight and die in their place against your own nation, people, and fellow peasants. Only by waging such a struggle can you end the war and your extreme misery quickly.

If the peasants are no longer being used as soldiers and militiamen to fight and die on the front, how can the old and new enemies get troops with which to continue fighting? They cannot use the rich to fight. It is only among the poor that they can recruit soldiers and militiamen for fighting. Now that the poor no longer fight and turn their guns against them, where can they get troops with which to fight? Will they themselves fight? No way. So, the old and new enemies will be defeated; the communist Vietnamese war of aggression and genocide will end; and the war of the alliance will end. Communist Vietnam cannot always snap at and swallow up Cambodia as it likes. The alliance cannot always rely on its money and modern weapons and join communist Vietnam in sacking and skinning our nation and people as it likes.

2. Soldiers and militiamen conscripted and sent by communist Vietnam and its stooges, the alliance and its two-headed puppets to fight and die in their place, you must not continue letting yourselves be sent to die like falling leaves. You must run away from them as soon as possible. If you stay, either intentionally or unintentionally, it means that you continue to kill your own nation and people and to kill your fellow peasants. If you stay, you can only put yourselves at risk; you might get killed because the nation and people, especially the poor peasants, are fighting back;

therefore, you must stop now. Between now and mid-June, you must stop. If you stay on and get killed, do not blame it on the nation and people, do not blame it on the peasants, for the nation and people and the peasants have already enlightened you, explained the situation to you, and given you so many warnings already.

3. The communist Vietnamese puppet authorities in villages and communes, you are the tools used by communist Vietnam to skin our peasants, especially our poor peasants in the villages and communes. It was you who force our poor peasants soldiers and militiamen to fight and die. Who enlisted them from Prey Veng, Svay Rieng, Kompong Cham, and Kompong Speu and sent them to fight and die on Cambodia's western battlefields? It was you. It was you who implemented the K-5 corvees; who extorted myriad taxes, contributions, and donations from the people; and who requisitioned rice, cattle, hogs, and fowls for the aggressive and race-exterminating army of communist Vietnam and later for the army of the two heads. It was you who grabbed the land and rice fields of the peasants, especially the poor peasants. It was you who worked as scouts for the old and new enemies in hunting down and killing the people and in burning their houses and villages. It was you who kidnapped and raped the people's daughters and sold them in Phnom Penh where they were then resold to foreign sex markets like animals. It was you who polluted the children's minds by proliferating corrupt, perverse, and depraved acts and spreading all kinds of vices in villages and communes.

Your crime is most serious. It is not different from those committed by the likes of Hun Sen, Chea Sim, Sar Kheng, Heng Samrin, Tie Banh, Pol Saroeun, and Ke Kimyan. The latter, however, live in Phnom Penh and their houses are protected by Vietnamese and Cambodian bodyguards, tanks, and armored personnel carriers while you live in remote areas, protected by no one. In the past, you relied on the soldiers when each district was defended by 10 to 20 positions, manned by hundreds of soldiers. Now, what do you rely on when each district is defended by just one or two positions that are manned by just a dozen soldiers who themselves are so scared they rarely stick their heads out of their barracks? Some districts do not even have soldiers; they are guarded only by the police. So, who do you think can protect you? Do not expect communist Vietnam, its stooge Hun Sen, the alliance, or its two-headed puppets to protect you. No way. Have they given you one cent in salary? Not at all. You are village and commune heads in name only and your duty is to rob the people. The peasants, especially the poor peasants, are now rising up and fighting back. They will smash any enemy, beginning with the easiest target first. That means all

of you who are the enemy authorities in villages and communes and who are within their reach; therefore, you must stop now. As of mid-June, if you continue to be what you are, the people will not spare you. This is a warning. Mind you, in making this warning I am trying to save your necks. In fact, our nation and people have been warning you for the past 17 years, not just now. So, as of mid-June if you get caught, do not plead innocence and do not ask for mercy by giving this or that excuse. It will be useless.

The frontier is now clearly demarcated between friend and foe; between communist Vietnam and its puppets and stooges and the Cambodian nation and people; between saving the nation and people and betraying and killing the nation and people. There is nothing ambiguous about that.

The slogan of the peasants, especially the poor peasants is: Absolutely, nobody will ever again be allowed to conscript us as soldiers and militiamen to fight and die; absolutely, nobody is allowed ever again to sack and skin us alive.

If you continue to serve communist Vietnam, its stooges, the alliance, and the two heads against the peasants, you are the enemy of the nation, people, and peasants. The peasants, especially the poor peasants, absolutely refuse to let the communist Vietnamese puppet authorities in villages and communes kill them again and to let the Communist Party of the communist Vietnamese puppets Hun Sen and Chea Sim under the label of the so-called People's Party continue to kill the nation, people, and race with impunity.

You guys, look: The war cry of communist Vietnam and its stooges from 1978 to 1991 was: Kill Them! Kill Them! Kill Them!

You saw, however, how seriously they were beaten.

When the alliance came to join communist Vietnam in prematurely conceiving the two heads, the war cry remained the same: Kill Them! Kill Them! Kill Them!

Three years later, though, what is the outcome? You see how disintegrated, bankrupt, and disbanded the two heads have become. Why? It is because the Cambodian nation and people in all social strata have fought back, because the peasants have fought back, especially since the 17th rainy season and during all of this 18th dry season. It is because the poor peasants have been fighting more actively. The poor peasants have only stripping knives, axes, scarves, plain stakes, punji stakes, poison-tipped stakes, and poisonous stakes. There are more than 7 million peasants and more than 6 million poor peasants. The peasants are everywhere, in the plains, in the jungles, in the mountains, and in

all nooks and crannies. The peasants and especially the poor peasants work to disintegrate the enemy's village and commune authorities, cut his vital transportation lines, pull out soldiers and militiamen, deprive both the old and new enemies of troops with which to fight, and cause them to suffer the strategic and apparently final defeat.

This movement is being carried out by peasants — especially poor peasants — who will intensify it 10-fold, 20-fold, and 100-fold. This is because the peasants have nothing to lose. There is no option for them except fighting in order to survive. The peasants — especially the poor peasants — have already determined who is their friend and who is their foe. They no longer rely on the heavens and stars because when they implored these for favors they got only endless misery. Now the peasants are relying on their own efforts; their own strength. During this 18th dry season, thanks to their own efforts, peasants by the tens of thousands and hundreds of thousands liberated themselves and reoccupied their houses, rice fields, and orchards. Therefore, peasants by the millions — especially the poor peasants — are continuing to struggle to liberate themselves and reoccupy their houses, land, rice fields, and orchards. Through this struggle, they join with our nation and people in all social strata in fighting to end the communist Vietnamese war, achieve real national reconciliation and peace, save the nation, and defend and perpetuate the nation and race forever.

In conclusion, I would like to salute profoundly the heroism of our fraternal peasants. At the same time, I would like to salute the unrelenting struggle of our compatriots in all social strata in Phnom Penh and of all gentlemen who are fighting inside the enemy perimeter, even though communist Vietnam and its stooge Hun Sen are cruel, savage, and fascist. You constitute another big lump of muscle in the fighting force of our nation and people.

I also salute and admire the contributions of all overseas compatriots and gentlemen. You have united with our nation and people in the country to wage a struggle in all forms to contribute most importantly to the successive victories of our nation and people.

May the fraternal peasants, compatriots, and gentlemen continue to hold aloft your banners of heroism and struggle even more dynamically. The light at the end of communist Vietnam's war of aggression — the light of genuine peace and national reconciliation — is appearing more clearly at the end of the tunnel.

Long live the 7 million peasants and especially the 6 million poor peasants who are fighting to smash the enemy's village and commune authorities, withhold

soldiers and militiamen from the old and new enemies, and deprive them of troops with which to fight! Long live the resistance forces of our nation and people in all social strata — in the rural areas as well as the cities and abroad! The communist Vietnamese aggressors and race exterminators and their stooge Hun Sen will soon be destroyed!

Cambodia: Khmer Rouge Urges Parties To Beware of Puppets' Tactics

BK2205101696 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 21 May 96

[Unattributed commentary]

[FBIS Translated Text] After barking out a threat saying the king and FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] had staged a coup d'etat against the Constitution, which prevented the king from returning to Phnom Penh and which forced Ranariddh and other high-ranking FUNCINPEC officials to leave the country, Hun Sen as well as other communist Vietnam's puppet leaders met with communist Vietnamese leaders in S'ang District last week. In the wake of the gathering, this fellow Hun Sen — the communist Vietnamese out-and-out lackey — who used to act in a high and mighty fashion, threatening people and the king, issued a communique announcing that the two heads have now allowed various political parties to resume their political activities.

Why did communist Vietnam and Hun Sen start playing this tune? Because the two heads are divided. Hun Sen knows nothing; everything depends on his Vietnamese masters. The latter were scared to lose the two heads, for the king had gone and Ranariddh and other high-ranking FUNCINPEC members had also left. This was why the frightened communist Vietnamese summoned Hun Sen, Chea Sim, and other puppets to an urgent meeting. They told their puppets, especially the gangster Hun Sen, to make some adjustments. However, the accommodations permitted are merely superficial and only concern a name; the name is new, but the products are still the Vietnamese-made ones.

While Communist Vietnam says that the two-headed trademark should be cleaned up, the old and new products are still all Vietnamese made. In other words, aside from its puppets and people, Vietnam is allowing no one to stand in its way. Various political parties can hoist their trademarks in this or that area, but their men are destroyed one after by no other than communist Vietnam's puppets and people until they are completely wiped out.

Some international political analysts and Cambodians who were once victimized and fled their houses after the elections organized by UNTAC [UN Transitional Authority in Cambodia], have said that what the one-eyed Hun Sen is saying is again misleading. If people are naive and walk into the communist Vietnamese cage, communist Vietnam and Hun Sen will again kill them.

Hun Sen asks various political parties to present their names to his Interior Ministry so that he can easily destroy them. Therefore, the political parties are allowed to affix the trademarks only on the Vietnamese-made products; should they do otherwise, they will be liquidated one after another until they are completely finished.

The masses are concerned for some politicians who are opposing communist Vietnam's dictatorial and fascist regime in Cambodia, because the politicians are not yet aware of communist Vietnam's tricks. The masses say although they have learned political science, economic science, and so on and have opposed communist Vietnam, the politicians have run in force into the communist Vietnamese cage, like moths to a light, shortly after they heard communist Vietnam's order for Hun Sen to announce that various political parties have been allowed to resume political activities. The masses further say they are very anxious about the naiveness of those politicians and that some of them, who have already died at the first stage, have now appeared to be like a person who has regained consciousness after being dead for three years. They will, however, be properly cremated once a coin is inserted. The masses say if they are finally cremated, their ashes will certainly not be found.

Indonesia

Indonesia: Army Chief on Plan To Expand Army Special Force

BK2205092996 Jakarta KOMPAS in Indonesian
22 May 96

[Unattributed report — received via Internet]

[FBIS Translated Text] Cimahi, KOMPAS — The Army Special Force [Kopassus] will be expanded from three to five groups. The 81st Detachment will be abolished and replaced by an antiterrorist group.

General R. Hartono, chief of staff of the Indonesian Army, said this to reporters after attending a ceremony marking the 50th anniversary of the Siliwangi Third Military Region Command in Cimahi town on Tuesday (21 May). The ceremony was also attended by Lt. Gen. Wiranto, commander of the Army Strategic Command; West Java Governor R. Nuriana; Kharis Suhud, speaker of the House of Representatives and chairman of the

People's Consultative Assembly; and former commanders and elder officers of the Siliwangi Third Military Region Command.

According to Hartono, the plan has nothing to do with the Kopassus' successful military operation in Timika, Irian Jaya. The plan, which was an old one, has been thoroughly considered on the basis of future needs.

"The plan has been endorsed by the Armed Forces commander and will hopefully be realized by the end of the year," Hartono said. Hartono, however, did not disclose the sites of the five Kopassus groups. "In short, preparations are under way," Hartono said.

When asked whether their deployment will consider the country's geographical regions — West Indonesia, Central Indonesia, and East Indonesia, Hartono said the expanded Kopassus will be able to cover all Indonesian territory.

According to Hartono, new Kopassus personnel will be recruited from the Army Strategic Command, regional battalions, and outsiders whom the Kopassus itself will train. "Hopefully, the expansion will be realized this year — as soon as possible. The commando training will be lengthy; it will last eight months," Hartono said.

Meanwhile, Gen. Hartono said there are procedures for granting extraordinary promotions to the personnel who successfully launched the military operation in Irian Jaya. "Currently, the Council of Ranks is considering the suitability of the extraordinary promotions," Hartono said.

Indonesia: Suharto: No Change in East Timor's Status

LD2105125196 Melbourne Radio Australia
in English 1100 GMT 21 May 96

[FBIS Transcribed Text] Indonesia's President Suharto has once again ruled out any change in status for East Timor. Michael Maher reports the Indonesian leader made his remarks in an unprecedented meeting with senior Australian media editors in Jakarta.

[Maher] Fifteen of Australia's leading editors met President Suharto for more than an hour in Jakarta earlier today [21 May]. On the issue of East Timor, the Indonesian leader told the group of editors that there would be no change to the status of the former Portuguese colony, which Indonesia has declared its 27th province. With regard to recent calls for more autonomy for East Timor, President Suharto said that autonomy was already being exercised in the territory, in line with the principles of the unitary state of Indonesia.

The president also told the Australian editors that despite many invitations he would not be visiting Australia for the time being, because there was a risk of misunderstanding that might harm bilateral relations.

Indonesia: Suharto on Reelection, Australia Visit, East Timor

*BK2205070996 Jakarta KOMPAS in English
22 May 96*

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Jakarta, KOMPAS Online — President Suharto claimed he had never been intent or sought ABRI's [Armed Forces of the Republic of Indonesia's] assistance in his reelection. The election of the President of Indonesia is instead in the hands of the General Assembly (MPR).

In a one hour question-answer session with a group of senior editors from Australia, Secretary of State Mardiono explained the President's role in the upcoming election.

Richard Woolcott led the group of journalists comprising Paul Kelly (THE AUSTRALIAN), Andrew Clark (THE SUN HERALD), Bob Cronin (THE WEST AUSTRALIAN), Chris Mitchell (THE COURIER MAIL), Crispin Hull (THE CANBERRA TIMES), Gregory Hywood (THE AUSTRALIAN FINANCIAL REVIEW), Ian McCausland (THE MERCURY), Ian Macintosh (International Operation Australian Broadcasting), John Hartigan (THE DAILY TELEGRAPH MIRROR), John Lyons (THE SUNDAY MORNING HERALD), Michael Mann (Australian Television), Scott Milson (THE BULLETIN) and Steve Harris (THE HERALD WEEKLY TIMES). Also attending the meeting was Australia's Ambassador to Indonesia Allan Taylor.

Relaying the President's message, Mardiono said that the elections is in the hands of the MPR, not in the hands of the President or anyone else. So if the MPR chooses the most appropriate candidate to lead the nation then this decision is based on their own criteria, Mardiono said quoting the President.

According to the President, a candidate for leader of the nation should have experience in the government and legislative fields or be selected from people who have experience or have originated from a social political organization.

Indonesia's Head of State also provided an outline of the history of Indonesia from the colonial period to the period of national awakening, the famous Youth Oath, and finally the proclamation of independence.

The President stressed that Indonesia's independence sprung from opposition to the colonial forces because Indonesians saw colonial ethics conflicted with the notions of humanity and justice.

From this point he (the President) hopes to underline that Indonesia respects and loves freedom. Following on from this, we also respect the freedom of other nations, said Mardiono.

Through Mardiono the President expanded on Indonesia's political system as a system based on the Pancasila and the 1945 Constitution, the mechanisms of national leadership and the relation between the President and representative institutions such as the parliament.

The President claimed that through a leadership system based on the 1945 Constitution and the Pancasila national stability could be maintained.

The Australian editors were also eager to ask about the possibility of the President visiting Australia. Mardiono explained the President was still considering the invitation. The fact that there are a small group of people in Australia who have adopted an unfriendly stance to Indonesia is a main source of concern surrounding the visit.

Whatever happens, the objective to enhance friendship (between the two countries) will be disrupted. Because of that, the President sees no urgency in visiting Australia in the near future, Mardiono said.

The Australian editors also questioned Mardiono on the likelihood of East Timor being granted autonomy. As the President explained East Timor, as one of the 27 provinces, already enjoys autonomy and it was pointless to ponder other autonomous systems.

Richard Woolcott told journalists the purpose of the editor's visit to Indonesia was to raise understanding and awareness.

Indonesia: Jakarta Preparing for Intellectual Property Legislation

*96SE0079B Jakarta KOMPAS in Indonesian
3 May 96 Internet p 0*

[FBIS Translated Text] Jakarta (KOMPAS)—Indonesia will soon submit to the DPR [Parliament] draft laws on copyrights, patents, and trademarks. In addition, the government is preparing three laws on industrial designs, integrated circuits, and trade secrets.

Anang Fuad Rivai, director general of international trade, said this Thursday, 2 May, in Jakarta at the opening of the "WIPO [World Intellectual Property Organization] Asian Regional Symposium on the TRIPS

[Trade-Related Aspects of Intellectual Property Rights and Trade in Counterfeit Goods] Agreement."

Anang said that in principle the TRIPS agreement provides new norms and standards that must be observed by members of the World Trade Organization (WTO). Therefore, developing countries must, like it or not, work hard to implement its provisions.

"Since Indonesia has stated its commitment to carry out the results of the Uruguay Round, the TRIPS agreement must be used as a standard to improve the law on copyrights, patents, and trademarks. In this regard, the government will immediately submit improvements in the law to the DPR," Anang Fuad Rivai said.

Laos

Laos: Official Details New Foreign Investment Procedures

BK1905133896 Bangkok PRACHACHAT THURAKIT in Thai 16-19 May 96 pp 1, 21

[Unattributed report]

[FBIS Translated Excerpt] Speaking to PRACHACHAT THURAKIT, Leun Sombounkhan, secretary general of the Lao Foreign Investment Management Committee (FIMC), said the Lao Government formulated a policy after the latest reshuffle to manage foreign investment projects more stringently to discourage monopolies by any country in any investment category. Laos feels that investor diversity will be beneficial because it will enable Laos to expand economic ties with more countries, thus gaining more trading partners. It will also reduce the risks if a major business sector in Laos is monopolized by any one foreign country, which could affect the overall Lao economy if a dispute arose.

Leun said the policy will be applied to large investment projects that have a big impact, such as financial institutions, telecommunications, and transportation projects. For smaller projects, Laos will limit the size of investment capital to ensure that it is appropriate for the country. Investment capital that is too great will be directed toward other sectors.

According to Leun, the steps for considering new investment projects have also been changed. A project must first be submitted to the consultant company, then to the FIMC technical team, the cabinet, the National Assembly, the Political Bureau, and the FIMC secretary general. These new steps are expected to take more time before approval is granted to new projects.

Thai projects that have already received approval will remain in force and will not face a review by the Lao Government. If those projects have trouble making

progress as required in the contracts, they will be asked by the FIMC to file a progress report within three months. If no report is filed, the projects involved will be deemed forfeited and eventually revoked.

According to a source in the Political Bureau, several Thai investment projects have been asked to file a progress report and have received replies from the FIMC indicating its satisfaction with their explanations. [passage omitted]

Laos: Establishment of Consulates General With Thailand Viewed

BK2005141296 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 20 May 96

[FBIS Translated Text] Bounkeut Sangsomsak, ambassador extraordinary and plenipotentiary of the Lao People's Democratic Republic (LPDR) to the Kingdom of Thailand, and Charat Phuachuai, acting foreign affairs minister of the Kingdom of Thailand, signed a statement in Bangkok, Thailand, on 17 May on the establishment of the consulate general of the Kingdom of Thailand in Savannakhet Province of the LPDR and the establishment of the consulate general of the LPDR in Khon Kaen Province of the Kingdom of Thailand. The Lao-Thai statement signing ceremony was held in the presence of cadres concerned from the LPDR Embassy to the Kingdom of Thailand and of high-ranking officials from the Foreign Affairs Ministry of the Kingdom of Thailand.

Laos: New Head of Prime Minister's Office Assumes Duties

BK1805125196 Vientiane KPL in English 0948 GMT 18 May 96

[FBIS Transcribed Text] Vientiane, May 18 (KPL) — A ceremony of transferring the duties between the former head of the Cabinet of the Prime Minister, Mr. Khamsai Souphanouvong and his successor, Mr. Cheuang Sombounkhan took place here yesterday.

As from yesterday, Deputy Minister Cheuang Sombounkhan will take over the responsibilities of the Office of the Prime Minister. Minister Khamsai Souphanouvong has earlier been appointed as head of the National Institute for Economic Research.

Witnessing the ceremony of transferring of power was Politburo Member of the Party CC [Central Committee], Deputy Prime Minister Khamphoui Keouboulapha.

Thailand

Thailand: U.S., PRC 'Maturity' Urged; U.S. Policy Inconsistent

BK2205035396 Bangkok BANGKOK POST
in English 22 May 96 p 4

[Editorial: "U.S.-China Trade War Must be Avoided"]

[FBIS Transcribed Text] Fortunately, there is still a slim chance of avoiding an all-out trade war between China and the United States. Although Washington announced prohibitive 100%-rate tariffs on an estimated \$2 billion worth of imports from China last Wednesday, these will not take effect until June 17. The Chinese package of retaliation has the same time-delay fuse. Past history has shown that last minute negotiations can avert such a war, but no one would be so rash as to predict this war will not happen.

Should Thailand be pleased or alarmed? Some might be tempted to relish the prospect. If China cannot sell its products to the United States, they might be available more cheaply for Thailand to import. Thai exports would face less competition in US markets.

But leaving aside the moral problem of profiting from others' suffering, there are many other issues that we should worry about. Trade wars are economically disruptive and politically destabilizing. When the war is between two giants, no matter how unequal their wealth or income per person, the impact is even more serious.

If the trade conflict continues at this intensity, then a repeat of the confrontation over Taiwan earlier this year would be doubly dangerous. We can also expect a soured mood in the Asia-Pacific Economic Cooperation (APEC) group and perhaps the ASEAN Regional Forum on security and conflict resolution. China and the United States are members of both, and so is Thailand.

The most alarmist view would be to warn that we now have two nuclear powers, never the best of friends, sinking into deeper and more antagonistic conflict. Perhaps that would be an exaggeration of the present danger, but it is a reminder of just how serious the situation could be if the two protagonists and the rest of the world allow things to worsen.

In terms of trade conflict as such, the dispute is qualitatively different from those between the United States and Japan or the European Union (or Thailand). China is not a member of the World Trade Organisation [WTO]. It does not enjoy the rights to due legal process that membership would grant.

When Washington issued similar threats against the Japanese last year, there was serious concern that the United States was taking the law into its own

hands, bypassing and therefore weakening the WTO's procedures. That concern does not apply in the China case.

China wants to join the WTO and to enjoy the equal treatment and the established procedures for settling disputes that membership would grant. It does have to show that it is ready for the responsibilities that membership entails. With the protection of intellectual property — copyrights, patents, trademarks and the like — now firmly established as a principle of the WTO, China has to demonstrate it is ready to comply.

It is difficult to judge from this distance whether the Chinese are right in claiming that they have fulfilled their promises on intellectual property. There is no question, however, that there is still an awful lot of piracy coming out of China, and the Americans claim that some of this takes place with the connivance (or even participation) of Chinese officials.

Two points need to be borne in mind. First, so long as the costs of legitimate and pirated software, compact discs and videos differ as much as they do, there will always be a temptation to piracy. In the end, the solution will probably require American (and European and Japanese) companies issuing special licences to Chinese producers, perhaps the very people who are copying illicitly right now. As is happening in Thailand and other Asian countries, those licenses would involve producing lower-priced products exclusively for the Chinese or Asian market.

Secondly, while the Chinese need to demonstrate some maturity if they are to be accepted as equal partners in the world community, so do the Americans. In this election year, China has replaced Japan as the favourite American enemy. The Clinton administration must retain its reason and resist the irrational and irresponsible pressures of anti-Chinese electioneering. Its recent decision to continue with China's "MFN" [most favored nation] trading rights is a good sign.

If the US wants to remain a world leader, it needs to show truly responsible leadership by doing everything in its power to avoid conflict and to develop a sufficiently friendly atmosphere to encourage the Chinese to move towards American objectives. Unfortunately, even without election pressure, the Clinton administration has not been consistent or constructive in its approach to China.

Thailand: Impact of New U.S. Textile Origin Rule Noted

BK2105091796 Bangkok NAEO NA in Thai
21 May 96 p 16

[Unattributed report]

[FBIS Translated Text] According to Bunthipa Simasakun, deputy director of the Foreign Trade Department, the new U.S. rule on textile product origin, which will become effective on 1 July, should not affect exports of Thai finished garments because they are assembled in Thailand. There will, however, be an impact on the export of Thai yarn and cloth because they will be counted in the quota as manufactured in Thailand.

Plain cloth sent from Thailand for printing in Europe and reexport to the United States will be considered as originating in Thailand, thus cutting into Thailand's overall export quota to that country. The department will send a delegation to explain to the United States the negative impact of its new origin rule.

Thailand: Ministry Seeks Intellectual Property Issues Cooperation

BK2205101896 Bangkok BUSINESS DAY in English
22 May 96 p 3

[Report by Matthana Menkae]

[FBIS Transcribed Text] The Commerce Ministry's Department of Intellectual Property has suggested that the European Union (EU) and the United States set up a joint office in Bangkok, specifically to monitor intellectual property violation of their products in Thailand.

The departments Deputy Director-General Narongsak Phichayaphanit said both the EU and US have claimed that the rate of intellectual property violations of their products in Thailand is still high although the department has been working to eliminate production fakes.

There have been 100 cases of violation and around 30,000 pirated products discovered between January and April of this year. Given the size of the problem the department invited the EU and the US to take up a local presence so that they could assist its efforts. Neither have made any response so far to the suggestion.

Apparently the EU and US are satisfied that the department has been seriously pursuing intellectual property violation and had brought in stern penalties to punish the violators, said Mr Narongsak.

Additionally, the setting up of a specific intellectual property court in Thailand is progressing well. The idea has already been acknowledged by the Cabinet and Mr Narongsak said it will be submitted for approval in

principle and then for final approval by the end of the year.

Mr Narongsak added that in order to put a halt to intellectual property violation, the department needs co-operation from every side including the violators themselves. The issue is a significant factor for a good relationships between Thailand and the EU and US.

The department plans to bring in more severe penalties for intellectual property violators and publicize the significance of the subject to the Thai people.

Thailand: Commentary: CIA No Longer 'Crucial Tool' for Policymakers

BK2105044396 Bangkok ASIA TIMES in English
21 May 96 p 8

[Commentary from the "Off the Record" column]

[FBIS Transcribed Text] CIA employees have just lost another round to the bureaucrats of the Directorate of Administration's Office of Security. Newly implemented rules of conduct further restrict and limit what a CIA officer can do and whom he or she may meet and maintain friendships with.

For example, from now on intelligence officers — whether overseas or in the United States — must report on all official and non-official contacts with individuals who are not American citizens.

In practice that means, among other things, that the huge number of resident aliens in the US are no longer welcome as friends or even acquaintances of the US intelligence officers are under 'a priori' suspicion.

That's not all bad, of course: It is fundamental that a spy agency run a tight ship and be able to ferret out bad apples. The trouble with these and other new rules is that they are largely manifestations of poor leadership. Only too often new rules and regulations are cooked up and issued when you don't know what else to do. And that shoe seems to fit this particular foot.

In 1995, John Deutch became Director of Central Intelligence (DCI) with an opportunity and the stated purpose to revitalize a CIA left weakened by the Ames debacle. Instead, he seems to have donned shades and left for the beach.

It's an open secret in Washington that Deutch never wanted to be DCI in the first place. He wanted to be Secretary of Defense. He still wants to be Secretary of Defense. Perhaps SECDEF has a better ring to it than DCI. The buzz in DC is that current SECDEF William Perry will not remain in the new Cabinet if President

Bill Clinton is re-elected, so odds are good that Deutch will get his wish.

That will make room for another carpetbagger to be named DCI and will likely exacerbate the growth of the regulatory industry within the CIA.

Just as much as the Ames' affair, bureaucratic mumbo-jumbo and lack of longterm directed leadership appear to be taking the life out of what once was a crucial tool for American policymakers.

Perhaps the CIA should be absorbed into what is left of the State Department after all, as New York Senator Daniel Patrick Moynihan once proposed. Maybe two halves will make a whole.

Thailand: Growth Triangle Area With Malaysia, Indonesia Viewed

BK2105123796 Bangkok KRUNGTHEP THURAKIT in Thai 21 May 96 pp 1, 6

[Unattributed report]

[FBIS Translated Excerpt] Delegations from Thailand, Indonesia, and Malaysia met at the Betong Merlin Hotel in Yala Province on 20 May to discuss communications in the Growth Triangle Area. It was the third such meeting regarding development of the area. The Thai communications minister, who chaired the meeting, reported afterward that his ministry has worked continuously on communications projects in the Growth Triangle Area via land, air, as well as the sea.

Prime Minister Banhan Sinlapa-acha will meet his Malaysian counterpart on 29-30 May in Malaysia. According to the communications minister, Malaysia is eager to engage in joint communications development with Thailand. The two prime ministers are expected to discuss cooperation, and any conclusion will be considered later by the Thai cabinet.

Regarding projects in the Growth Triangle Area, the communications minister said Malaysia has no objection to a high-speed train project linking the area with Indochinese countries. Thailand has not made a firm decision on this project. A joint Thai-Malaysian railway team is studying the project and is expected to reach a decision soon. The difference in Thai and Malaysian train systems is the main problem facing the project.

Thailand has also proposed a new train route from Sungei Kolok to Malaysia's Kelantan State to link with the Malaysian project from Kelantan to Singapore.

Thailand and Malaysia agreed to the possibility of air links in the Growth Triangle Area. Indonesia, however, wants the link to reach Phuket, which is outside of the area, while Thailand wanted Indonesia to limit the

links to inside the area. Thailand has already developed infrastructural support for the air link program by modernizing airfields in its five southernmost provinces. A telecommunications link project will be the heart of development of the Growth Triangle Area and will be launched last.

The communications minister said the government continues to support the land bridge project linking Songkhla and Penang because it will reduce time for transport of goods between the Gulf of Thailand and the Andaman coast. After all communications projects are completed, Thailand plans to propose transformation of the Growth Triangle Area into a free trade zone to benefit industrial development activities in the five southern Thai provinces. [passage omitted]

Thailand: Annual: Economy 'Surges' To Boost APEC's Influence

BK2105052696 Bangkok BANGKOK POST in English 21 May 96 p 26

[Unattributed Report]

[FBIS Transcribed Text] The Asia Pacific Economic Cooperation (APEC) group will increase in importance as the region's economy surges ahead, according to Deputy Prime Minister Amnuai Wirawan.

Delivering the first speech at the Pacific Basin Economic Council meeting in Washington yesterday, he noted that a global economic power shift is taking place, with a massive redistribution of the world's industrial and economic power away from the rich, industrial economies to the newly-industrialising economies of the East and Southeast Asia.

"Today APEC includes the world's three largest economies on the basis of purchasing power parity, namely the US, Japan and China, and accounts for half of the world's output," he pointed out.

In his address, which explored how best to realise APEC's goal of free trade he explained that APEC members still held different views on the pace of economic liberalisation within the group.

The arrangement still lacks a blueprint for how to achieve free and open trade and investment in the region, Dr Amnuai said, but added that increasing globalization and integration of world markets would put pressure on APEC members to forge ahead.

He said China would play an increasingly important role in the development of APEC.

"The impact of its economic resurgence on the region, the possible costs of renewed isolation and exclusion

from WTO [World Trade Organization will all have implications on APEC," he said.

He then commended efforts by the US, Japan and ASEAN to keep APEC on an even keel, saying that their work would prevent the organization from falling prey to a chaotic scramble for advantage in an increasingly competitive world.

APEC must advance free trade on the widest basis possible, he said, adding that Thailand supported the policy of making APEC concessions on a most-favoured nation (MNF) basis.

Moving on to a discussion of free trade, Dr Amnuai said though many people argued that there was no such thing as free trade, he disagreed.

Thailand: Death Sentence Upheld on British Tourist Murder

BK2205073596 Bangkok *THE NATION* in English
22 May 96 p A3

[Unattributed report]

[FBIS Transcribed Text] The Court of Appeals yesterday upheld the death sentence earlier handed down by the primary court to an ex-monk convicted in the much-publicised murder/robbery case of British tourist Johanne Masheder last December.

The convict, Yotchat Suaphu, 30, has the legal right to submit a final appeal to the Supreme Court in 30 days.

At the hearing in Nonthaburi yesterday, the court upheld the original death sentence against Yotchat on the grounds that the robbery and murder at Wat Tham Khao Pun in Kanchanaburi province was premeditated.

The Kanchanaburi provincial court sentenced Yotchat to death on Jan 31 after he was arrested at the Buddhist temple on Jan 14 for robbing and killing Masheder, 23.

Yotchat was arrested when he was still a monk at the temple, a popular tourist attraction in Kanchanaburi, and subsequently defrocked. He confessed to having pushed Masheder down a steep drop in a cave in the temple compound and to hitting her with a stone after finding that she was not killed by the fall. He then stole her purse and camera.

After the conviction Yotchat did not appeal against the death sentence. However, the appeal process had to be automatically taken up by the court for a sentence involving capital punishment in accordance with the criminal justice system.

Thailand: Economic Council Approves Second Airline for Nation

BK2105053196 Bangkok *THE NATION* in English
21 May 96 p B1-B2

[Report by Watsana Khompricha]

[FBIS Transcribed Text] The Council of Economic Ministers yesterday approved a long-delayed plan to permit the creation of Thailand's second national flag carrier, with flexibility for Thai Airways International to take shares in the new venture.

According to the approved plan, THAI is not barred from being a shareholder of the second airline. Transport and Communications Minister Wanmuhamatno Matha had earlier said that in order to create competition for THAI he would not allow the national flag carrier to be a shareholder, a stance also taken by his predecessor Wichit Suraphongchai.

Industry sources said consortiums led by Charoen Phokkhaphan, Chatchai Bunya-anan, Rasi Bualoet, Ucom and Bangkok Bank are among the groups likely to apply for a licence to start-up the second national airline. Chatchai is a former president of Thai Airways International.

The council-approved criteria saw four changes from the draft Terms of References sent to it earlier. The first change is that the licensed investor must operate the airline within one year, not six months. The second change is that the investor requires a bid bond of [Thai baht] Bt500 million with one-year maturity, instead of Bt100 million for domestic service and Bt500 million for international service.

The licensee must divest 30 per cent of its holding on the stock exchange as soon as possible, not two years as previously recommended, with a date to be determined by the Transport Ministry.

The final change is that the government will offer a third national-flag carrier licence after the second airline has been operating for five years, instead of the previous four years. Deputy Premier Thaksin Chinnawat told the Transport Ministry to consider increasing the foreign shareholding of the second national airline from 15 to 20 percent to increase outside involvement. Council made no decision on this matter, leaving it to the ministry to decide.

However, a foreign airline cannot hold more than 5 per cent of the new venture and its holding is subject to government approval, according to the council-approved plan.

A single shareholder cannot hold more than 40 per cent of the second national airline and, as a group, their

holding must not exceed 70 per cent. Shareholders must include at least three Thai firms, and the second national airline must have a paid-up capital of at least Bt3 billion.

Thailand: Finance Minister: Economy Heading for Soft Landing

BK2205032396 Bangkok *THE NATION* in English
22 May 96 p B2

[Report by Wichit Chaitrong]

[FBIS Transcribed Text] Finance Minister Surakiat Sathianthai told the Cabinet yesterday that major indexes showed that the economy is in a soft-landing.

The Wholesale Index declined from the last quarter of 1995 from 9.04-10.46 to 5.91-7.07 in the first quarter this year.

The Retail Index this year has also declined gradually since February from 7.43 to 7.32 and 6.94 in March and April respectively.

The Private Investment Index also fell continuously from 120 in Nov, 1995 to 115.8 in March, 1996. The declining index showed that private investment is slowing down and thus the current account deficit is narrowing. Most of the deficit is due to imports of machinery for private investment.

At the same time, the trade deficit also slowed down. In the last quarter last year, the average per month trade deficit was [Thai baht] Bt38.8 billion, which declined to Bt35.66 billion for the first quarter of this year.

The same scenario applies to the current account deficit. While the country recorded an average deficit of Bt33.4 billion each month during the last quarter of 1995, the figure declined to Bt27 billion during the first quarter of 1996.

The decline of major economic indexes showed for the first time in over a year that the Thai economy is slowing down, a picture which is in strong contrast to what happened last year when inflation was 5.8 per cent and the current account deficit was 8.1 per cent of gross domestic product at the end of the year.

A fear of overheating last year led the authority to issue restrictive measures in an attempt to cool the overheating. The measures are starting to show results only now.

Surakiat went on to say that it was the first time since May, 1995 that the savings expansion rate exceeded that of credit expansion. In March, 1996, credit rose by 22 per cent on a year-on-year basis compared to the savings increase of 23.3 per cent.

Surakiat said the major economic figures showed the Finance Ministry measures to slow down the economy are effective. Without any negative factors coming in the future, he expected the current account deficit, inflation and the trade deficit could be halved by 2000, the last year of the 8th National Economic and Social Development Plan.

In a separate development, the Cabinet yesterday also gave approval for the Finance Ministry to issue bonds in order to raise funds to be loaned to its state enterprises.

The bonds will be issued locally. The Ministry will be allowed to raise the bonds to an amount which must not exceed 10 per cent of the budget in a particular year. State enterprises lending through the Finance Ministry's bonds will be offered lower coupon rates than raising the funds by themselves.

Thailand: Governor's 'Negligence' in Handling Bank Affair Seen

BK2205053896 Bangkok *THE NATION* in English
22 May 96 p B10

[Report by Thanong Khanthong]

[FBIS Transcribed Text] Bank of Thailand Governor Wichit Suphinit appears to have reached the political end, with calls for his removal as punishment for his blatant negligence in dealing with the Bangkok Bank of Commerce [BBC]. Yet Wichit always wears a calm, unperturbed look even in the midst of catastrophe. Is he "master of the universe?"

Events surrounding the BBC debacle will unfold to prove whether Wichit, helped by his touch of charlatan, is still "master of the universe". Calls have been made for the inexperienced Surakiat Sathianthai to be shuffled out of his finance portfolio following the passage of the budget bill.

If Surakiat is to go, it necessarily follows that Wichit should join him on the way out. The question is whether Prime Minister Banhan Sinlapa-acha understands the adverse ramifications of the messy BBC affair and has the courage to cut off another bad finger.

The most critical question that has not yet been properly raised is why Wichit allowed the mismanagement and possible fraud at BBC to continue so far without taking drastic action. Confidential reports submitted to Surakiat by Wichit show that he tolerated systematic looting of the bank, which was suffering from bad debts amounting to a staggering [Thai baht] Bt78 billion, or 55 per cent of its total assets of Bt140 billion. The governor's verbal advice to the finance minister was that the mess at BBC would be brought under control because all the central

bank needed to do was to pump fresh money into the bank.

It is uncertain whether Surakiat read the governor's reports or not. If he read them carefully, he would easily have found out — if he could not compute — that the bank was in a critical condition and must immediately undergo wholesale surgery. Yet he emerged to parrot the governor's advice by telling the public that there was nothing serious going on at BBC because the central bank was constantly monitoring it. He also stressed that a series of recapitalisation efforts would be sufficient to restore confidence in the bank.

By dancing to the governor's tune, Surakiat consciously or unconsciously contributed to the cover-up of the BBC debacle. All the time, Wichit continued soothing the public that Kroekkiat Chalichan and his cohorts had done nothing wrong in their management of the bank and should be allowed to continue their jobs. Wichit hoped that if he kept on pumping public money into BBC he would buy time for Kroekkiat to sort things out.

Meanwhile, the damage at BBC continued to snowball. The turning point occurred when the Democrats, during the no-confidence debate in the second week of this month, produced substantial evidence of foul play, linking BBC with the Group of 16's evil design to grab public land, loot the bank and manipulate the stock market in order to build up its political stronghold. The Democrats also warned the public about the potential collapse of BBC.

The Democrats had their spies too. Wichit must be shocked by their counterespionage. Most of the evidence they received were reports written by the governor's own hand so there was no foundation to charges that the Democrat cooked up the information to agitate the public. BBC was exposed for the first time as rotten to the core. Wichit's clandestine operations against his rival Ekamon Khiriwat have been compensated in kind.

This incident naturally led to a run on BBC, which until last week faced a withdrawal of some Bt8 billion. All the other financial institutions had been requested to give BBC a hand during the crisis, which might lead to a systematic breakdown. The central bank pumped another Bt5 billion in short-term money into BBC to help it withstand the heavy withdrawals.

Not until last Friday did Surakiat decide to exercise his utmost authority to deal with the failed financial institution. He signed an order to take over the bank, removing all power from the ex-management. A control committee, headed by Phatchara Isarasena, will step in to take charge and restore public confidence in the bank.

Its mandate is to investigate the financial damage at the bank, probe any instances of fraud committed by the bank's former executives, write a fresh business plan and introduce a radical management restructuring.

Wichit artfully avoided confronting the crisis which is under his direct responsibility, by flying over to neighbouring Burma. It was M.R. [Mom Ratchawong — royal title] Chatumongkhon Sonakun, permanent-secretary for finance, who stood by the finance minister to urge the authorities to decisively take over BBC. When Wichit returned to Bangkok, the siege had ended.

By this time, Wichit reverted his stand on the BBC ruins. He now suggested that the central bank would not intervene if the Control Committee takes legal action against any BBC's executives found to have been fraudulent. For the first time publicly, he appeared to admit that the unscrupulous executives should be brought to justice.

To be fair to the dedicated central bank officials, they have adequately supervised the bank and detected blatant violations of the commercial banking law. Yet when their reports were passed on to the governor, they were dead on arrival. The governor did not make any move until it was too late.

The BBC collapse has irreparably harmed confidence in the central bank. The other day, a finance official of a US petrochemical firm called THE NATION to air her grievances over BBC and the central bank's supervision of the bank, in particular. "How could they lie to us all this time that the bank was okay when in fact it was going under?" she asked.

Last week, her firm tried to cash 10 issues of promissory notes, each valued at Bt10 million, but the clearance could not be completed and was postponed until this week. The lady was waiting nervously for the clearance of the Bt100 million belonging to the US firm, which is committed to invest Bt2 billion to Bt3 billion in a petrochemical project in the Eastern Seaboard. "If the government cannot provide confidence to investors, how can you expect them to invest in Thailand?" she asked.

Foreigners have been following the BBC affair with keen interest. Naturally, they ask what has gone wrong with Wichit's supervision of the banking institutions. Are there any banks, particularly family-controlled institutions, following in BBC's footsteps to disaster?

It is certain that no matter what answer he gives, he will not win their trust.

Thailand: Prime Minister: Submarine Purchase Still 'Possible'

BK2105035496 Bangkok BANGKOK POST in English 21 May 96 p 1

[Unattributed Report]

[FBIS Transcribed Text] Prime Minister Banhan Sinlapa-acha yesterday hinted that the Government might include the Royal Thai Navy's plan to procure a diesel attack submarine in the next fiscal year if the acquisition is absolutely vital for national security.

Mr Banhan, 64, made the remark after Navy Commander Adm [Admiral] Prachet Siridet called on the Premier at Government House yesterday and briefed him about the navy's role in suppressing oil smuggling together with other state agencies.

Asked whether the Armed Forces could still ask the Government to review the budget to procure new weapons for the next fiscal year, Prime Minister Banhan said the change was possible if the military felt that the acquisition of certain armaments was essential.

However, the Prime Minister said he had not discussed the Navy's proposal to procure a submarine within the next fiscal year during yesterday's meeting.

The Budget Bureau had earlier opposed the Navy's plan to procure two submarines within the next fiscal year, fearing that it would exacerbate the country's current account deficit whose figures rose to 335,700 million baht, or 8.1% of last year's gross domestic product. Under the Navy's original plan, a seven-year period was asked for to meet the payment for the two submarines, worth around 17 billion baht.

The Navy has insisted all along that its plan to procure the submarine was in line with the navy's strategic planning which has already got support from the Defence Council.

Commenting on the report that the Premier had sought a meeting with the commanders of the three branches of the armed forces to clarify the military's role in procuring new weapons, Prime Minister Banhan said the meeting would take place after the Budget Bill is passed in Parliament on 24 May.

Thailand: Prime Minister Tries To 'Put Off' Military Projects

BK2105044296 Bangkok THAILAND TIMES in English 21 May 96 p A2

[Unattributed Report]

[FBIS Transcribed Text] Bangkok — Prime Minister Banhan Sinlapa-acha has made yet another attempt to

put off consideration of the military's arms and satellite acquisition projects.

Banhan yesterday said the military projects might be discussed after the consideration of the 1997 budget bill to see what specific weapons each armed force needs in order to prioritize arms acquisition.

The premier earlier voiced disagreement with the army's plan and tried to shelve the weapons purchase as well as the 26-billion-baht military communications satellite project for fear that such mega projects may cause aggravate the country's current account deficit.

The prime minister had proposed to discuss the issue between top military men and business experts after the nonconfidence debate which ended two weeks ago.

Defense Minister Gen Chawalit Yongchaiyut, who initiated and lobbied for the military satellite project, recently softened his efforts after being attacked by many sides.

The armed forces' development project include purchasing 16 F/A-18 Hornet jet fighters at 18 billion baht, two diesel-submarines at 17 billion baht, several personnel carriers at 300 million baht, and the military satellite at 26 billion baht.

Asked if it is possible for the military to ask additional budget for next year, Banhan said that it is if necessary. Besides, the purchases will not be done within a year, but over a period of five years.

Thailand: Defense Minister Accepts Delay for Arms Purchases

BK2205055896 Bangkok THAILAND TIMES in English 22 May 96 p A2

[Unattributed Report]

[FBIS Transcribed Text] Bangkok — Defense Minister Chawalit Yongchaiyut yesterday conceded that the military would have to wait for its arms purchase plan until the government gave its approval.

"We will wait and wait patiently, because we have no choice," Chawalit said.

The minister was citing an example of the Royal Thai Navy's plan to buy two diesel-run submarines, which has repeatedly been put on ice by the government over the last three or four years.

"But we'd better be careful. Some of our neighbors have bought advanced weapons, but we haven't," Chawalit warned, saying that nobody could tell what the future would bring.

The government recently told the military it had to shelve 14 projects, including the military's Star of Siam communications satellite. The military satellite project was initiated by Chawalit a few years ago.

Chawalit, also a deputy prime minister, has repeatedly traded wars of words with Deputy Prime Minister Thaksin Chinnawat, a former telecommunication tycoon, over the issue, which includes purchasing plans for F/A-18 jet fighters and new tanks.

Vietnam

SRV: Hanoi Police Seize Counterfeit U.S. Dollar Notes

BK2205035996 Hanoi AN NINH THU DO
in Vietnamese 19 May 96 p 8

[Report by Nguyen Nang Luc]

[FBIS Translated Text] On 10 May, police from the Tu Liem Precinct (in Hanoi) received a letter of complaint from Mr. Nguyen Danh Ky of 132, Nam Thang Long Street in Mai Dich Town, owner of Anh Tuan Restaurant. He reported that a customer came to his restaurant on 24 April, and paid for his meal with a one hundred U.S. dollar bill, which was later discovered to be counterfeit.

Police of Tu Liem precinct confirmed they investigated and found the customer. He is Doan Minh Hoang, born in 1967 in Trieu Thuan, Trieu Phong district, Quang Tri province. He is a construction contractor, currently residing at room 21, house A-10, collective housing zone at Nghia Tan. Doan Minh Hoang was arrested by an emergency warrant and was found to have \$1,600 in \$100 bills. Verification experts confirmed that among these notes, only one of the notes is real, it was dated 1993. The remaining 15 notes, and the one discovered by the Anh Tuan Restaurant, are all counterfeit. These notes all have pre-1990 serial numbers (from 1983 to 1988).

At the preliminary interview Hoang said the money had been paid to him as remuneration for his construction work on a private house. Hoang also admitted that he had already spent over \$10,000 in Hanoi.

Investigations into the matter continue.

SRV: Radio Reviews Reaction to PRC Sea Border Claim

BK2105144396 Hanoi Voice of Vietnam in English
1000 GMT 21 May 96

[Station commentary]

[FBIS Transcribed Text] The Chinese National Congress last week (?approved) an ordinance extending Chi-

nese territorial waters to include the Hoang Sa, Paracel, archipelago. The move aroused criticism, not only from Vietnam but also from other countries in the region. Our editor reviews the issue:

On the evening of last Thursday, when China announced the approval, a spokesman for the Vietnamese Foreign Ministry issued a statement saying that it was a blatant violation of Vietnam's sovereignty. The statement says Vietnam has undeniable sovereignty over the Truong Sa [Spratly] and Hoang Sa [Paracel] archipelagoes. It has sufficient historical evidence and a legal basis to reaffirm its sovereignty over the two groups of islands.

The delineation of China's sea border encompassing Truong Sa and Hoang Sa islands is a serious violation of Vietnam's sovereignty and contrary to the international laws. Therefore, China's regulations relating to these two islands are null and void and completely unacceptable. This delineation may not be beneficial to the development of Sino-Chinese [as heard] bilateral relations.

Vietnam has always been consistent in seeking durable and peaceful solutions to disputes in the Eastern [South China] Sea. It hopes that the concerned parties should restrain their activities so as not to further deteriorate the situation and to affect peace and stability in the region.

Meanwhile, a press official of the South Korean Foreign Ministry stated China's declaration on the delineation of its sea border went beyond international laws and practices and was unacceptable. The action will seriously affect coming talks between China and South Korea on territorial waters and fishing agreement between the two countries. He said his country was carefully considering the issue and, if warranted, South Korea would take legal action against China.

For his part, a spokesperson for the Philippine Foreign Ministry stated that his country was worried about this latest Chinese move on disputed areas in the Eastern Sea. He said it put a black shadow over regional stability and harms cooperation being formed. It was not beneficial for the settlement of the issue.

News agencies REUTER of the UK and NHK of Japan reported and commented that ratification of the International Convention on Sea Law and Delineation of Basic Sea Borders, China had violated the interests of regional countries and caused instability in the region.

SRV: Foreign Ministry Condemns Killing of Vietnamese in FRG

BK2105162296 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 21 May 96

[FBIS Translated Text] Some brutal killings of Vietnamese nationals without legal German residences occurred in Berlin during many consecutive days in early May. These killings have caused profound concern among the honest and legal people of the Vietnamese community, in particular, and among the German people, in general. These killings have also created a bad image for the Vietnamese community and have damaged the fine friendship and cooperation relations between Vietnam and the FRG.

A delegation of our Foreign Ministry met with FRG Ambassador Kraemer in Hanoi yesterday afternoon to prepare a Foreign Ministry memorandum to express the profound concern of our government and people over the brutal killings of the Vietnamese people, to confirm the Vietnamese condemnation of these actions, and to voice our government's sympathy over security and public order difficulties for the FRG Government and people caused by those actions. At the same time, the memorandum asks the German authorities to immediately adopt active measures to prevent the recurrence of such incidents and to ensure the security of the Vietnamese community living legally and earning their living honestly in Germany and to quickly discover the culprits responsible for those killings before pressing legal charges against them. For its part, the Vietnamese Government is ready to cooperate with Germany in these matters.

On this occasion, our Foreign Ministry delegation also criticized the unfriendly, offending, and unacceptable statements made by some German Government officials, especially high-ranking Berlin officials, and requested adequate explanations from the German side. At the same time, the delegation held that some authoritative Germans want to use German cooperation and development aid as conditions to press for the execution by Vietnam of the agreement on repatriation. This is an outdated move because it is contrary to the statement by German Chancellor Helmut Kohl during his official visit to Vietnam in late 1995.

The Foreign Ministry delegation held that the two sides need to give serious consideration to the difficulties and delays in the implementation of the agreement on repatriation that came into effect in September 1995. The delegation also pointed out the need for an early meeting by the authoritative representatives of the two governments to review the situation and to discuss

measures for the acceleration of the implementation of the agreement as agreed upon.

SRV: Embassy in Cambodia Condemns 17 May 'Massacre'

BK2105151996 Hanoi VNA in English 1508 GMT 21 May 96

[FBIS Transcribed Text] Hanoi VNA May 21 — The Vietnamese Embassy in Cambodia today came out strongly against a massacre of 17 fishermen, including 14 overseas Vietnamese, by a group of 20 armed people in Pursat Province of Cambodia on May 17.

The note, sent by the embassy to Cambodia's Ministries of Foreign Affairs and the Interior and the UN Human Rights Mission in Cambodia, said:

"The Embassy of the Socialist Republic of Vietnam in Cambodia strongly condemns this blatant massacre and demands an immediate end to every barbarous act aimed at the Cambodian people as well as Vietnamese residents in Cambodia."

"The S.R.V. Embassy in Cambodia requests the Royal Government of Cambodia to take all effective measures to ensure security for all Vietnamese people as well as other foreign people in Cambodia and the Cambodian people, against all murderous and terrorist moves," the note also said.

The Vietnamese Embassy also requested relevant organizations and agencies of the Cambodian Government to investigate into its case of massacre and bring the murderers to trials under law.

SRV: Radio Reviews Economic Relation With Singapore

BK2205112196 Hanoi Voice of Vietnam in English 1000 GMT 22 May 96

[Station commentary]

[FBIS Transcribed Text] Vietnamese Prime Minister Vo Van Kiet and his Singaporean counterpart Goh Chok Tong last week attended the ground-breaking ceremony of building Song Be Industrial Zone, 19 kilometers north of Ho Chi Minh City. The presence of the two leaders at the ceremony showed the special importance of the industrial zone. Here is our radio comment:

Song Be Industrial Zone is the biggest project among 120 Singaporean investment projects in Vietnam. The project is directly invested in and supported by the Singaporean Government. It is the joint venture with the Import-Export Company of Song Be Province. It is a major infrastructure development project with an initial capital of \$52.9 million on an area of 500 hectares in its

first stage. In the final stage, it will expand to another 500 hectares. The first stage of the Song Be project will be carried out over eight years, creating 50,000 jobs and an estimated annual industrial value of about \$1 billion.

At the ground-breaking ceremony, the two leaders witnessed 13 representatives of well-known companies of the United States, Singapore, India, the Philippine, Japan, and Europe signed minutes on renting land from the Song Be development joint venture to build their factories. The construction of five factories is due to start in June and will be completed to hand over to investors for use in December this year.

The idea of building the industrial zone took shape two years ago when Prime Minister Goh Chok Tong officially visited Vietnam. At that time, with great significance on attracting more foreign investors, Prime Minister Vo Van Kiet officially asked his Singaporean counterpart to call on Singaporean investors to join efforts to building the Song Be Industrial Zone. The Singaporean Government supported the proposal and sent many survey teams to Vietnam, including a high level development led by Minister Lee Kuan Yew.

At the Asia-Europe summit in March, prime ministers of the two countries were determined to carry out the project and wished it to become a symbol of cooperation between the two countries and among ASEAN countries. The project is in conformity with the strategic development of the economic triangle of Ho Chi Minh City, Dong Nai, and Vung Tau, and it creates more favorable conditions for foreign investors. Singapore is the one of the biggest trade partners of Vietnam and an ASEAN member country with biggest investment in Vietnam.

Prime Minister Vo Van Kiet said at the ground-breaking ceremony that a few years ago, no one could imagine the scale and scope of cooperation between the two countries as it is at present.

SRV: State Bank Governor Discusses Financial Strategy

963E0015C Hanoi TAP CHI CONG SAN
in Vietnamese No. 2, Jan 96 pp 15-19

[Article by Cao Sy Kiem, MA in Economics, member of the Communist Party of Vietnam Central Committee, governor of the State Bank of Vietnam: "The Capital Procurement Strategy for National Industrialization and Modernization"]

[FBIS Translated Text] Capital for national industrialization and modernization is an extremely important and pressing issue at this juncture and for many years to come in our country. In the *Strategy for Socioeconomic*

Stabilization and Development Until the Year 2000, our party clearly points out: "The national financial policy must be geared to securing and effectively using capital in all society, rapidly increasing social product and national income, regulating the relationship between accumulation and consumption by gradually raising the accumulation ratio..."¹. Securing and effectively using capital are issues currently capturing the government's and banking sector's special attention. Only by mobilizing foreign sources of capital and rapidly developing domestic sources of capital will we be able to meet the requirements of national industrialization and modernization.

As the experience of many countries around the world has shown, in the initial phase of industrialization and modernization, no country is not "hungry for capital" for investment. However, depending on concrete situation, each nation must find for itself suitable measures aimed at mobilizing and using capital in the best possible manner in support of economic growth and the modernization of its material and technical base. Experiences of economically developed countries have shown that the pace of industrialization and modernization depends rather heavily on the level and way of securing capital for these two tasks. In the past, it took hundreds of years for the first countries that embarked on industrialization to achieve the process; later on, it also took the newly industrialized countries 30-40 years to complete industrialization and modernization. Nowadays, in the new international situation, capital procurement for industrialization and modernization in each country depends on the wisdom of that country's government and agencies in policymaking.

During the past few decades, in face of the globalization trend, the capital market has boomed and the capital flow have crisscrossed worldwide and between different regions in an extremely spectacular manner. Concerning the countries that are late in engaging in industrialization, there has been much talk about their advantages in securing capital for effectively tackling socioeconomic, technological, technical, environmental, and ecological problems. Recently, owing mainly to foreign investment, many East Asian countries have recorded brilliant achievements in economic development. On the other hand, the images of some Latin American states in the past or of Mexico recently showing these countries besieged with heavy foreign debts and serious socioeconomic crises, have caused not a few unindustrialized countries to cringe at the problems that may arise from foreign investment. The foregoing analysis helps us perceive opportunities and advantages more distinctly and, at the same time, see more clearly the challenges and obstacles from without as well as the real difficulties

from within, so that we may wisely pick the best way to procure capital for our country's "open-door" economy, which is developing positively. It is necessary to affirm that *the cause of failure or success in the capital procurement process for industrialization and modernization* of a country lies not in the use of either source of capital (domestic or foreign), but in the *choice of model of economic growth* (internally or externally oriented), and in the *formulation and implementation of macroeconomic policies*, including the strategy pursued by that country in mobilizing and using capital. History of the world's economy has shown that some nations have failed because of their total dependence on foreign countries; at the same time, it has clearly proven that those countries that have successfully carried out industrialization and modernization owe their success to their economic independence and sovereignty (which calls for paying special attention to encouraging economy in consumption, promoting accumulation of domestic capital, carefully calculating and effectively using all the funds invested in capital construction—all this not only in the initial stage, when we must tighten our belt to carry out industrialization and modernization, but also in the stage when self-generated capital is in abundance).

According to the report on orientation of investment for socioeconomic development in Vietnam during the 1996-2000 period, our state needs to have about \$41 billion. But the domestic sources of capital is capable of meeting only 45 percent of the investment plan's requirements (equivalent to \$20 billion); therefore, we must depend on foreign investment to supply the balance. These are calculations that have been readjusted in accordance with the possibility of raising the current domestic savings rate of 10 percent to 14-15 percent of the GDP in the years ahead. On the other hand, we must also strive to increase the rate of capital accumulation for development investment to around 25-30 percent of the GDP, with domestic capital accounting for 10.2 percent of the GDP. Taken in toto, social investment in the past five years (1991-1995) exceeded expectations, but fairly large amounts of capital are needed for the second half of the 1990's—it is estimated that approximately \$5-7 billion are needed each year, that is, more than five times as much as the average amount of capital mobilized annually during the past eight years (since 1987, when the Law on Foreign Investment was first promulgated in Vietnam). These figures are enough to give us a general idea of the formidable challenge lying ahead concerning the task of securing capital for industrialization and modernization in our country.

The banking sector is responsible for the main source of capital needed by the economy. In addition, there are

the concentrated investment "channels" drawn from the budget, the capital provided by FDI [foreign direct investment] and ODA [official development assistance], and the capital voluntarily mobilized and invested by businesses and the people. For a long time now, the State Bank has made many efforts to exploit the idle capital among businesses and the people (including a small portion from outside the country) to meet the demands of development investment. Numerous effective measures including organizational, managerial, policy, economic, and technical measures have been taken by the State Bank to effectively mobilize all sources of capital. To this end, the bank has basically relied on domestic savings and accumulation by all economic sectors. At the same time, they have paid special attention to exploiting the contributions by overseas Vietnamese or the loans and aid provided by international financial organizations, nongovernmental organizations, and foreign banks to meet in time the pressing demands of investment for technological modernization and advanced technical application, and to help promoting national industrialization. The credit and banking system has stepped up mobilization of capital, a task initiated by the Central Bank in late 1993. The source of capital for general business increased fairly rapidly and reached 50-60 percent in 1994 and 1995. Capital structure has undergone positive change. The source of stable, long-term capital has increased ceaselessly (accounting for about 50 percent of the capital mobilized). On that basis, the State Bank has had more capital at their disposal to grant more medium- and long-term loans, raising the proportion of bank loans from under 20 percent in the 1991-1992 period to 30 percent in 1995. Various banks have stepped up the lending of money in support of goods production, agricultural and rural development, and export activities. At the same time, they have increased investment in some leading industries (such as electronics, engineering, energy, metallurgy...) with the aim of aiding national industrialization and modernization. Almost all the programs for applying scientific progress, renovating technology, developing a number of leading industries, creating jobs, building houses... have been financed by the State Bank. In addition, the commercial banks have actively contributed to implementing various social policies of our party and state, such as the policy of lending money to poor people, good students, ethnic minorities, people living in deep, remote areas....

However, the State Bank has encountered not a few obstacles in the process of participating in the capital-procurement efforts to meet the demands of national industrialization and modernization. At present, the bank is only capable of satisfying about 30 percent of the need for capital for domestic investment and

8 percent of the total amount of capital required for all social investment. At times, when it was unable to meet investment requirements because of the limited medium- and long-term sources of capital, the bank had to use a substantial portion of their short-term sources of capital to grant loans, a practice that had put not a few units at risk. That situation resulted from the fact that our national economy has just escaped from socioeconomic crisis; it has grown, but not yet steadily, and there still remain destabilizing factors. On the other hand, we cannot concentrate large amounts of capital in development investment because we also have to care for the people's living conditions and achieve macroeconomic stability. Nor can we ignore the fact that inflation may increase and affect the economic growth rate, and that the monetary system has not yet been firmly stabilized and may become less attractive to all local and foreign investors and affect the efforts to mobilize capital and renovate equipment and technology. Moreover, the source of capital drawn from domestic savings is too limited (because our per capita GDP is among the lowest in the region, and because the percentage of people with below-poverty-line income remains high), thus directly curbing the State Bank's capability to mobilize medium- and long-term capital in the country. Generally speaking, the task of securing capital for industrialization and modernization is currently a very daunting challenge to all sectors and levels, including the State Bank. A difficult problem for our economy at present is that there still exists a serious budget deficit; that the money market develops at a slow pace; and that a portion of the idle capital (including in local and foreign currencies) is still floating outside the circulation system and out of the State Bank's control. In addition, the level of security and risk protection in money trading business is still low; the legal environment has not yet been really perfected; the standards of debt management and foreign aid, foreign investment, and capital construction investment remain inadequate; in goods marketing and in the effort to attract foreign investment, Vietnam sorely lacks competitiveness in international markets....

To overcome the aforementioned impediments, the industrialization and modernization support strategy that the State Bank is continuing to implement will be based on the viewpoints of our party and state concerning industrialization and modernization. Scientific and technological development is an arduous, protracted, and all-encompassing process and a task of all society and all economic sectors. In carrying out this task, we must rely mainly on local resources in conjunction with broadening international cooperation to effectively exploit all external resources. First of all, we must diversify all sources of capital for industrialization and moderniza-

tion. On the other hand, there should be uniform, effective coordination, integration, and participation of all sectors and levels concerned, including the State Bank, which should actively make contributions. Each sector and level should make an all-out effort to perform its duties according to its authority in order to work together to secure capital for industrialization and modernization. What we should pay attention to is that the domestic sources of capital for industrialization and modernization do not consist of money only but also of the human resources and fixed assets that have been accumulated through several generations; they also comprise natural resources and numerous other visible and invisible assets. At this juncture in particular, we must attach special importance to the "gray matter" asset of the contingent of scientific, managerial, and business cadres. Only the "gray matter" can help us make the most of all sources of capital, correctly select and apply advanced technology, and effectively utilize scientific and technical progress to shorten the industrialization and modernization process and create a modern material and technical base for the country at an early date.

In the monetary domain, the State Bank will continue to implement the capital procurement strategy with the aim of mobilizing ever greater sources of medium- and long-term capital. From now until the year 2000, the sources of medium- and long-term capital obtained through the banking system should account for about 13-15 percent (instead of the current 8 percent) of the total amount of capital mobilized in the country for investment purposes. The important thing is that, through the formulation and implementation of monetary policy, we should quickly ensure greater stability in the monetary domain. We should continue to curb inflation and bring it down to 1-2 percent lower than the economic growth rate. Only by achieving economic stability at the macro level, of which monetary stability is of primary importance, will we be able to satisfactorily implement the capital mobilization strategy in support of industrialization and modernization and to achieve economic development.

Industrialization and modernization is the only way to transform a backward agricultural economy into a modern one with an industrial-agricultural-service structure. In my opinion, to secure capital for industrialization and modernization, in both the immediate and distant future, we must satisfactorily resolve *three* kinds of problems as follows:

First, we must improve the ability to formulate and manage monetary policy; institute a positive, dynamic, and effective monetary policy constantly geared to expanding all sources of capital for the country; and effectively control all sources of capital, including the domestic and

foreign sources. We must expeditiously develop various kinds of financial movables by first concentrating on increasing both the quantity and quality of the banking system's existing assets. Next, we should introduce "monetary securities" (by instituting financial instruments and interest-bearing certificates) and promote the circulation of capital of the economy (including medium- and long-term capital), thereby exercising control over money while rationally regulating the amount of money supplied to avoid creating an inflationary effect.

With regard to monetary policy, we should encourage savings, avoid wasteful consumption, pooling idle capital to promote production and trading activities, and create domestic accumulation by implementing a flexible "positive" interest-rate mechanism beneficial to investors and businesses. We should also encourage commercial banks and credit organizations to compete actively and to be independent and dynamic in business. A point worth paying attention to is the use of interest rates as a "lever" to spur commercial banks and credit organizations and to urge them to attach importance to mobilizing capital for medium- and long-term investment.

Concerning mandatory reserves, it is necessary to relax regulations, maintain stable and rational rates of exchange, and encourage export activities while aiding local production in order to attract domestic and foreign investment. We should coordinate our reserves policy with the preferential-treatment and investment-protection policies of the sectors concerned (concerning tax, fees, registration, licensing, foreign investment management, import and export, the right to use land...) to make our interest rates highly attractive in comparison with foreign rate (in terms of foreign currency), thereby improving our competitiveness in trying to attract large amounts of capital from international markets into Vietnam.

To concentrate the mobilization of domestic capital in one body in order to eliminate interest-rate competition that is not beneficial to the implementation of monetary policy, the State Bank should reach agreement with the Finance Ministry about eventually allowing the State Bank acting as an agent in calling for bids for all kinds of long-term bonds for the state treasury. Capital generated by the issuance of treasury bonds should be concentrated only for medium- and long-term investment in support of national industrialization. The State Bank will improve its coordination with the various sectors in charge of managing the foreign investment fund and the aid fund provided by foreign governmental and nongovernmental organizations in order to mobilize all sources of foreign capital channeled through the bank.

Second, we must perfect the multisector, multipurpose financial intermediary system, step up the development of the long-term capital market, build up prestige in customer service, and ensure the safety of customers' and the State Bank's own assets. At a time when the long-term capital market has not yet been developed, the banking system should satisfactorily perform the functions and tasks entrusted to it. Only in this way will it be able to ensure effective implementation of the monetary policy in order to meet the requirements of the capital procurement strategy. In terms of principle, whenever and wherever there is an opportunity to secure capital for industrialization and modernization, the banks must be there to promptly provide service (for example, foreign debt management, foreign currency exchange, remittances by overseas Vietnamese, international payment, bank fund management, property management and custody, customer securities...).

We should diversify the forms of new capital mobilization (savings for home building, issuance of debt securities...), improve traditional deposit services (long-term savings of all kinds). In particular, we should pay special attention to expanding various forms of issuance of long-term bonds by commercial banks, instituting the transfer of savings certificates, studying the issuance of capital-procurement bonds in international markets.... We should satisfactorily carry out overseas Vietnamese remittance services to mobilize more capital contributed by overseas Vietnamese for national construction.

Along with diversifying the forms of capital mobilization, we should strongly develop multipurpose business activities. Commercial banks should not only accept deposits, lend money, and make payments according to traditional practices; they should also expand other services such as lease-purchase credit, ownership transfer, mortgage, consultation, brokerage, insurance, and bond trading (in the immediate future, there will be bank, treasury, and business bonds; in the long run, there may be more diversified forms of bond). Commercial banks and credit organizations should not only offer direct capital loans, but should also expand capital pooling and bond and stock buying, and form joint ventures and associations between themselves and with businesses. Under the new mechanism, commercial banks should engage in general business while developing specialized services; banking service diversification is the "golden key" to the effective use of all idle capital, business-risk sharing, and laying the foundations for development of various kinds of money markets.

To effectively step up capital mobilization and medium- and long-term investment, commercial banks and credit organizations should gradually develop various forms of affiliated specialized-business companies and ex-

pand branch operations to other countries. We should pay special attention to developing commercial banks, large financial companies, and strong bank groups, and should gradually expand equitization in coordination with banking operations while ensuring that the state sector always plays the leading role in banking activities.

Upon switching to the market economy, we should step up the modernization of banking technology. We should pay special attention to training business cadres in the new mechanism, improve the quality of banking service to meet the steadily growing need for service and customers' increasingly exacting demands. For a strong banking system to gradually integrate into the international financial community, first of all it must rely on modern technology and successfully establish an inspection and control system to effectively guard against all risks. Only in this way will it be able to quickly make itself more competitive and attract much capital for development investment.

Third, we must urgently improve the short-term money markets to create a momentum for speeding up the long-term capital market development process (the security market) with the aim of meeting more effectively and at a higher level the demand for capital for national industrialization and modernization. In the Strategy for Socioeconomic Stabilization and Development Until the Year 2000, our party clearly points out: "We should reform the banking system to enable it to operate more effectively and really become a monetary, credit, and payment center that plays the leading role in the capital and money market."² In my opinion, to set up a capital market, we should pay attention to the following two points:

1. Improving the short-term money markets: These markets are designed to give indirect support to implementation of the capital procurement strategy. This is because stabilizing the demands for short-term capital will create favorable conditions for businesses to develop production and trading activities and promote the process of natural capital accumulation, convergence, and concentration. This will enable the State Bank to develop favorably and have more opportunities to expand the sources of medium- and long-term investment capital. Of course, to develop the short-term money markets, the State Bank should pay attention to quickly creating short-term monetary instruments (commercial bank time bond, treasury bond, deposit certificate, various kinds of check, payment card, various kinds of delivery contract, various forms of electronic payment...). This is also a necessary "rehearsal" for various banks in creating an "internal" moving force and opening up a new direction

in securing capital for industrialization and modernization in the coming years.

2. The long-term money markets (mainly belonging to investors and businesses): In this area, the intermediary financial role of banks is only a secondary one. However, in the final analysis, development of the security market (including two levels) will in turn further accelerate the development process of various kinds of financial movables and interest-bearing financial instruments, thereby enabling the capital circulation process in the economy to proceed along the line of steadily expanding the "market share" of the medium- and long-term capital. To speed up the forming process of the long-term capital market, the State Bank should coordinate more with various sectors concerned to promptly create necessary and sufficient conditions for that market, such as instituting long-term security "commodities"; establishing a national securities committee and the infrastructural system of the security market; training cadres; strengthening the legal system (by promulgating a law on securities, a law on securities trading...); stabilizing the monetary system; and promoting a good sense and practice of security trading in society.

Although the strategy for mobilizing bank capital for industrialization and modernization is correctly devised and highly feasible, it does not necessarily follow that it will prove effective in life. The important factor that will lead to success is uniform, close, and effective coordination and integration among different sectors and levels concerned in satisfactorily implementing the national capital procurement strategy for the cause of national industrialization and modernization.

Footnotes

1. *The Strategy for Socioeconomic Stabilization and Development Until the Year 2000*, Su That Publishing House, Hanoi, 1991, p. 27.

2. *Ibid.*, p. 28.

SRV: President Visits Military Strategy, History Institutes

BK2105131796 Hanoi Voice of Vietnam Network
in Vietnamese 1430 GMT 19 May 96

[FBIS Translated Text] Comrade Le Duc Anh, member of the party Political Bureau and state president of the Socialist Republic of Vietnam, visited the Military Strategy Institute [MSI] and the Military History Institute [MHI] of the Ministry of National Defense on 18 May.

At the MSI, the president profoundly analyzed the new traits of the world and national situation. He stressed

the importance of the new situation. At the same time, he suggested many important strategy issues that need to be studied. The president expressed his hope that all MSI cadres and workers will always strive to contribute their best to the successful implementation of the resolution of the coming eighth national party congress, accelerate the undertaking of national industrialization and modernization under the socialist direction, successfully build socialism, and firmly protect the socialist fatherland of Vietnam.

President Le Duc Anh visited the MHI while it was preparing for its 15th anniversary, 1981-1996. He stressed the importance of the scientific study, review, and explanation of history so that the public — especially the young generation — can be educated on the traditions of patriotism and revolution. To achieve this, all MHI cadres must obtain knowledge of philosophy for correct analysis, knowledge of history for correct writing, and knowledge of literature for good communicative writing. The president also mentioned some requirements in the training of MHI cadres to meet present and future tasks. On this occasion, the MHI donated a series of books on the history of the Vietnam People's Army, the anti-French and anti-American resistance wars, military campaigns, and the undertaking of a military building by President Ho Chi Minh.

SRV: HCM City Party Executive Committee Holds First Meeting

BK2105142596 Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 15 May 96 p 1

[Report by Xuan Truong]

[FBIS Translated Text] The sixth Executive Committee of the Ho Chi Minh City party organization held its first conference on 14 May. Attending the conference were: Comrade Vo Tran Chi, member of the party Central Committee Political Bureau and secretary of the City Party Committee, fifth term; and the 51-member Executive Committee of the city party organization recently elected at the sixth city party organization congress. The conference discussed in a democratic fashion the personnel structure of the Standing and Control Committees of the City Party Committee. It has unanimously elected through a secret ballot the Standing Committee, secretary, and deputy secretaries of the City Party Committee; and the Control Committee and its chairman and deputy chairmen.

A 13-member Standing Committee was elected by the Executive Committee of the city party organization, sixth term. Comrade Truong Tan Sang was elected secretary of the City Party Committee; Comrades Vo Van Cuong, Pham Chanh Truc, and Vo Viet Thanh

were elected deputy secretaries. A nine-member Control Committee of the City Party Committee was also elected with Comrade Doan Van Khuy as its chairman.

Afterward, the conference heard a speech by Comrade Vo Tran Chi. The comrade asked the Executive Committee of the city party organization, sixth term, to pay attention to the new features of the international situation and of current international relations and to introduce new thoughts on orientations and measures to lead the country to continue surging forward in the renovation undertaking. The comrade contributed various guiding thoughts for tasks that the city should carry out in the immediate future and on a long-term basis to lead the city to civilization and modernization. He wished the Executive Committee of the city party organization success in strengthening unity, in developing democracy, and in leading the city party organization and people to triumphantly implement the resolution of the city sixth party organization congress.

The following is the name list of the Standing Committee of the Ho Chi Minh City Party Committee, sixth term:

Secretary: Comrade Truong Tan Sang

Deputy secretaries: Comrades Vo Van Cuong, Pham Chanh Truc, and Vo Viet Thanh.

Members (in alphabetical order of given names): Comrades Huynh Dam, Tran Van Dong, Le Thanh Hai, Bui Quoc Huy, Doan Le Huong, Hoang Thi Khanh, Doan Van Khuy, Phan Trung Kien, and Tran Van Tao.

SRV: Former Hanoi Party Secretary Meets With Youth Union

BK2105130496 Hanoi TUOI TRE THU DO in Vietnamese 9-15 May 96 pp 1-2

[Report by H.T.]

[FBIS Translated Text] Comrade Pham The Duet, secretary of the Hanoi municipal party committee [subsequently replaced by Le Xuan Tung], held a working session with the Hanoi Municipal Youth Union to discuss ways to ensure the satisfactory implementation of Decree No. 87/CP. Also present at this working session were Comrade Pham Chuyen, director of the municipal public security force, and representatives from the municipal party committee's Propaganda and Education Department, the municipal People's Committee, the municipal Cultural and Information Office, the municipal Youth Association, and the municipal Student Association.

On behalf of the Hanoi Municipal Youth Union, Ngo Thi Doan Thanh, secretary of the municipal Youth

Union, delivered a report on how the Youth Union had implemented Decree No. 87/CP, saying that to help create a wholesome cultural environment, the municipal Youth Union plans to launch a campaign to urge "youths and teenagers in the capital to refrain from gambling and from reading cultural works with poisonous content."

After hearing Comrade Ngo Thi Doan Thanh's report and the views expressed by various sectors on the Youth Union's action program, the comrade secretary of the municipal party committee concurred with the report and encouraged the Youth Union to keep up its good performance. The comrade added: Between constructive and opposing ideas, we must choose the constructive. It is the duty of the Youth Union to carry out didactical and persuasive propaganda and indoctrination. The Youth Union must create public opinion and enlist public support for the eradication of social vices, poisonous cultural products, and videotapes with unhealthy contents. Youths must participate in projects designed to ameliorate society, nightclubs, and karaoke pubs and to promote videotapes with healthy contents. Apart from cooperating with the relevant state management organs in controlling and dealing with violations, the Youth Union must pay attention to motivating and educating youths to refrain from violating the contents of Decree 87/CP. The comrade went on: The Youth Union must go into action in a positive way. It is not that the Youth Union will imitate everything other mass organizations do. Rather, the Youth Union must realize that it must go into action for the future and happiness of youths. The Youth Union must always be aware that youths play a decisive role in the destiny of the country. This is a difficult issue about which youths must think thoroughly and for which they must prepare carefully. Prior to going into action, we must attach importance to ideological indoctrination and mass propaganda work if we are to ensure voluntary participation by the people. Other mass organizations must join the Youth Union in this task.

After giving the Youth Union's ideas about certain measures for work organization and implementation, the comrade secretary of the municipal party committee urged:

The Youth Union must carry out the aforementioned task boldly, as its work will not produce results immediately. It is important that Youth Union cadres fix long-term objectives for their activities and that they resolve to deploy these activities gradually and complete one job after another. In this way, they will certainly be able to bring about a change for the better.

SRV: Party Official on Evaluating Party Building Task

963E0015D Hanoi TAP CHI CONG SAN
in Vietnamese No. 2, Jan 96 pp 24-28

[Article by Nguyen Phu Trong, assistant professor, MA in history: "The Work of Building Up the Party: How To Make a Correct Assessment of It?"]

[FBIS Translated Text] Because of its special significance and importance, the party and party building issue normally captures the attention of many people. During the phase of making suggestions to the *Draft Recapitulative Report on the Party Building Task* alone, the Document Subcommittee had received nearly 200 suggestions from units and collectives (party committee echelons, party groups, and party affairs committees directly subordinate to the part Central Committee), and almost 100 suggestions from individuals (some running up to dozens of pages in handwriting). At various conferences, many comrades expressed their deep concern about this issue. Nearly all the views expressed the wished that, on the occasion of making preparations for and holding local party congresses and the Eighth National Party Congress of Delegates, the entire party would effect radical changes in the party building task. A number of comrades appeared to be unsatisfied with the portion of the draft report on party building.

Why this particular concern?

It is because everyone knows that the eighth Party congress takes on an extremely important significance. It is the duty of this congress to review the renovation process in our country over the past 10 years, determine the direction and tasks for the period of strongly pushing forward industrialization and modernization. The revolution in our country is at a major turning point; it has many opportunities but is also faced with sharp challenges. The world situation has undergone favorable developments, but there also are not a few unpredictable and complex factors. Hostile forces are seeking to oppose and sabotage our country's revolutionary cause by all means. On its part, aside from its strengths and good points, our party is also showing not a few weaknesses and problems that must be resolved. If we do not devote ourselves to building the party to make it really stable and strong, it would be difficult for it to meet the demands of the new period.

The points that have caused concern are usually concentrated in the following issues:

- Evaluating the party and party building task.
- The party's nature in the current period.

- May party members engage in private capitalist economic activities?
- Cultivating revolutionary quality and virtues, struggling against corruption and negativism.
- Implementing the principle of democratic centralism, strengthening solidarity and unity within the party.
- Consolidating party bases, perfecting the party's organizational system.
- Building up the cadre contingent.
- Renovating the party's leadership method, settling the party-state-people relations.

In this article, I would like to express some views on the issue of *evaluating the party and party building task*.

We all know that it is usually difficult to make an assessment of a thing or an event, and that there are many different ideas, especially about things and phenomena that are developing. It is even more difficult to evaluate the party and party building work, because this is a particular and very delicate and sensitive matter that depends not only on the perception of information and the extent of knowledge; it also is influenced by sentiments, feelings, interests, viewpoints.... The same event may earn lavish praise from some and draw merciless criticism from others. That is only understandable, I believe. Practical experience has shown that to make a correct assessment, it is important that we must be really impartial, calm, and objective, and must examine things in a comprehensive and specific manner and according to a historicist viewpoint and dialectical method.

Probably no one fails to see that over the past 10 years, the situation in our country has been besieged with difficulties and the international situation has undergone extremely turbulent and complex developments while not a few forces have carried out "peaceful evolution" to oppose and sabotage the revolution in our country. Our party has firmly maintained its leadership role, has led the country in surmounting all difficulties, has successfully carried out renovation, and is steadily advancing step by step.

All the achievements and shortcomings of the renovation undertaking have been closely linked with the party's leadership and activities. The party's leadership and activities have been a decisive factor in producing the accomplishments of the renovation undertaking. At the same time, it is in the process of leading the renovation undertaking that the party has become increasingly mature and has seen its weaknesses more clearly in order to take corrective measures. The party's progress and maturity are an important—or even the

most important—achievement of the renovation undertaking, we can say.

The success of the renovation undertaking shows that our party is capable of leading not only the wars of resistance but also economic building. The party has continued to firmly maintain and bring into play the capacity and experience of the earlier periods and has fruitfully led the national construction efforts, even in extremely complicated situations.

Generally speaking, many important achievements have been recorded in party building over the past 10 years.

1. *The most outstanding and important achievement has been the fact that the party has laid down and gradually supplemented and refined the renovation policy in a correct and creative manner, shaping ever more clearly the path of advance to socialism in our country.* Determining the direction of national development and the path of advance of the revolution is the basic function of a party leading the administration and an important criterion for evaluating the character, intelligence, and capability of a party; it is also a principal objective of the party building task, that is, *building the party politically*. Looking back at the process of shaping and developing the renovation policy during the past 20 years, we can see that this is obviously an important achievement of our party and people in the realm of thought; it also is the result of an entire process of arduous struggle, painstaking research, theoretical renovation, and summing up practice which reflects our party's independent and creative spirit. The period from the Sixth Plenum of the Fourth Party Central Committee (August 1979) to the Fifth Party Congress (March 1982), the Eighth Plenum of the Fifth Party Central Committee (June 1985), the conclusions of the Political Bureau of the Fifth Party Central Committee on three economic viewpoints (August 1986), the Sixth Party Congress (December 1986), the Sixth Plenum of the Sixth Party Central Committee (March 1989), the Seventh Party Congress (June 1991), the Mid-term National Party Conference of Delegates (January 1994)... was a process of painstaking reflection in which we had at times to engage in very bitter struggle over viewpoints, some pieces of work had to be redone several times, and we even tasted failure before we could draw correct conclusions and shape our party's renovative viewpoint. A great many issues had to be discussed and examined from all angles, such as: Should there be or should there not be an initial step? Should there be or should there not be a central economy and local economies? What is the system of collective mastery? Should one price or two prices be applied? What lessons can we draw from "unauthorized" and "illegal" application of the contract system, "application of contract system according to Directive 100," and "ap-

plication of the contract system according to Resolution 10"? With regard to organization, why is it that some units were at times "merged" and then "separated," or "separated" and then "merged" again?

We understand that renovation is a novel cause, that there are no precedents or models for us to refer to, and that we have to carry out renovation and try to gain experience while doing it; therefore, no definite conclusions can be drawn right away. And in the process of researching, it is normal that there are different views, there are ideas and acts that are not totally correct or that are even wrong. What matters is that we must uphold the truth, bring into play our collective intellect, maintain contact with reality, and review facts to find the truth. To date, our party has established a system of guiding concepts for the renovation undertaking; although these concepts are not perfect, they constitute the fundamental and extremely important guidelines for the revolution in our country. This fact is reflected in the *Platform for Building Socialism in the Transitional Period, the Strategy for Socioeconomic Stabilization and Development Until the Year 2000, the Constitution*, and a series of party resolutions and state policies. Any patriotic Vietnamese would undoubtedly agree that we must make "the people prosperous, the country powerful, and society just and civilized"; that we must "develop the multisector commodity economy operating according to the market mechanism under the management of the state and along the line of socialism"; that "economic growth must go hand in glove with social progress and justice," "legitimate efforts to enrich oneself must be accompanied by efforts to eliminate hunger and reduce poverty"; that "open-door policy and international exchange must go together with the preservation and development of the national cultural characteristics"; that "Vietnam wants to befriend all countries striving for peace, stability, and development"; that we must "carry out a foreign policy of independence, sovereignty, diversification, multilateralization," that "cooperation must go together with struggle"....

In view of the heart-rending failure of the "reform" undertaking in the Soviet Union and East Europe, we can realize even more deeply the consequences of error in political line and appreciate and treasure even more highly the achievements that our party and people have recorded. We can also understand better why we must struggle against and criticize erroneous viewpoints and must defend and develop our party's line and viewpoints.

2. *Our party has affirmed that Ho Chi Minh thought together with Marxism-Leninism is the ideological foundations and lodestar of our actions. At the turning points*

of the revolution and in the face of complicated development of the situation, our party has promptly formulated correct ideological and political guidelines, rectified deviant perceptions, opposed hostile lines of argument, and created the basis for ideological unity in the entire party and among the people. Here, once again the party has clearly shown its firm political character and its sharpness and responsiveness in politics and strategic guidance. We still remember that, right in March 1989, at the Sixth Plenum of the Sixth Party Central Committee, our party had put forth six principles of the renovation undertaking (at that time, the Soviet Union and socialist countries in East Europe had not yet collapsed) and categorically affirmed that renovation must be a principled process; that we would carry out renovation but would not go to the extreme of denying our past achievements; that we would go for renovation but would not give up the socialist objective and lessen the party's leadership role; that economic renovation would be the central task and that the political system would be renovated gradually and steadily.... At the same plenum, our party affirmed that we would not accept "pluralism and multipartyism" and would sternly discipline anyone propagating this ideology. These were totally correct and accurate decisions which had a very timely and important ideological-orientation effect. In late 1991, when the Soviet Union incident occurred, the Political Bureau once again promptly made observations and drew conclusions to provide the basis for ideological unity in the entire party and among all the people. In 1994, in view of new developments of the situation, at the mid-term party conference of delegates, the party pointed out four dangers. In 1995, the Political Bureau issued a resolution on major guidelines for ideological work; the Secretariat organized a number of courses for all kinds of cadres from the central to the grassroots level..., thereby preparing the baggage for the journey into a new stage of the revolution—the stage of industrialization, modernization, and integration into the world.

It must be said that such timely conclusions and guidance are extremely important because they determine the ideological orientation, thinking, and actions of our cadres, party members, and people, and help create ideological unity and socioeconomic stability.

3. *The party has firmly maintained the principle of democratic centralism, collective leadership, and individual responsibility. Progress has been made in implementing democracy within the party, in leading the realization of democracy in society, and in developing collective intellect and the aggregate strength of the bloc of great national unity.*

At a time when there are tendencies to lessen the significance of the principle of democratic centralism

or to abolish this principle, our party has categorically affirmed that it will firmly maintain and satisfactorily implement the various principles of party organization and activities, especially the principle of democratic centralism, and will strongly develop democracy within the party and among the people. Our party holds that implementing democratic centralism is a matter of principle of a Marxist party and an important criterion for determining whether that party is a genuine Marxist party. Denying the principle of democratic centralism is denying the party in its essence; abolishing the principle of democratic centralism is sapping the party's strength at its core. In reality, since the Sixth Party Congress, democracy within the party and in society has developed more widely than ever before. We have advocated broadening democracy and bringing into play collective intellect in all activities—from preparing party resolutions, the Constitution, and state laws to evaluating, placing, and promoting cadres; from discussions in the party and elective organs to work style and operating procedures; from the task of encouraging the development of all innovative and creative efforts in economic activities to that of broadening the provision of multisided information in the press, in the mass media, in literature and art.... Here, our experience consists in the following: Democracy must go together with order and discipline; democracy must be developed but not in an extremist and one-sided manner, and discipline, centralism, and unity are not to be belittled; individual powers and responsibilities must be brought into play in conjunction with strengthening the role of organizations and collectives; correct perception of the essence of the principle of democratic centralism must be accompanied by the formulation of mechanisms and regulations to ensure satisfactory implementation of that principle in reality.

4. Implementing the Resolution of the Third Plenum of the party Central Committee, we have *rearranged and further strengthened the system of party organizations and state agencies*. In so doing, we have ensured steady and comprehensive party leadership in *consolidating primary party organizations, checking the decline and weakening of many primary party organizations, continuing to renovate personnel and raise the standard and militancy of the contingent of party members, perceiving more clearly and improving the method of party leadership in the new conditions*, and overcoming the manifestations of neglecting the role of party leadership or of party organizations doing the jobs of other agencies.

Compared to the prer renovation period, we have reduced about 30 percent of leading agencies and over 10 percent of the personnel of state organs at all levels. In the Central Committee, there are now only 11 party departments

and five administrative organs. At the provincial and district levels, the number of committees has been slashed and 30 percent of personnel have been cut. Party affairs committees have been rebuilt in state agencies and a number of major general companies. Party groups have been consolidated in elective agencies and a number of mass organizations, thereby ensuring implementation of the principle that the party exerts leadership through organizations, not only through individual party members. The organization and operations of the Vietnam Fatherland Front have been further renovated along the line of diversification (at present, there are over 150 associations and mass organizations).

We have surveyed and reevaluated primary party organizations and promulgated regulations on the functions and duties of various forms of primary party organizations. We have rearranged party chapters and party cells in the rural areas, directed the consolidation of weak primary party organizations, and overcome the laxity in party work in many businesses, administrative units, and organs.

Substantial progress has been recorded in educating, improving, reorganizing, and recruiting party members. In many places, the number of party members doing a good job of improving themselves has accounted for 30-40 percent of the party membership. We have recorded initial success in overcoming the drop in new party membership (party membership in 1992 increased 3.9 percent over 1991; in 1993, 32 percent over 1992; and in 1994, 17 percent over 1993).

Control work has undergone new changes. As a result of control work, each year about 3 percent of the total party membership are disciplined, with over 1 percent expelled from the party.

We have also replaced or reassigned a very large number of key cadres at various levels to meet the requirements of the new mechanism. Aside from politically reliable veteran cadres, we have paid attention to employing cadres who have a new way of thinking and who are dynamic, prepared to assume responsibility, and equipped with entrepreneurship. Although 95 percent of our cadres were trained and operated under the mechanism of state subsidies, they have adapted fairly quickly after switching to the new mechanism. Their knowledge and standard of—and capability for—economic and social management have improved substantially.

Obviously, the Resolution of the Third Plenum of the Party Central Committee has penetrated life and really exerted an effect: Party building work has recorded important results, and our party has gradually matured. This is nothing like the excessively gloomy assessment

made by some people of the party and party building work.

However, we must admit that the party building task still has many weaknesses and inadequacies. At present, *some major problems stand out:*

- In the conditions of market economic development, open-door policy and international exchange, novel political tasks, a highly complex social environment, and party cadres and members assuming many heavy responsibilities and being constantly in contact with goods and money and coming face to face with capitalism, the problem is how to firmly preserve and enhance the party's working-class nature and pioneer character. If no active measures are taken to renovate and reorganize the party, it is very likely that the party will be degraded.¹
- Although the party's knowledge and leadership have improved recently, in certain respects they still do not measure up to the requirements of the renovation undertaking. Many theoretical and practical issues remain unexplained. The general intellectual standard of many levels is still low.
- The state of a segment of cadres and party members showing a decline in their will to fight, becoming degenerate and corrupt, being alienated from the people, going downhill morally, and embracing a depraved lifestyle is an acute problem that is lessening the party's prestige. Meanwhile, primary party organizations in many places have fallen into a decline in militancy; worse still, in some places they have become disorganized or paralyzed.
- The apparatus is heavy and cumbersome; the leadership method and operating procedures are still afflicted with confusion. In the party, there are at the same time a poor state of democracy and a lack of order and discipline. In some places, the party's internal ranks suffer from serious disunity, and comradeship and fraternal relations are not what they used to be.
- Meanwhile, many party committee echelons have not paid adequate attention to and adopted firm and positive measures aimed at renovating and reorganizing the party. Worse still, party committee echelons in some places have concerned themselves solely with economic and professional work, neglecting the party building task.

From the diversified realities of the renovation undertaking in recent years, we can draw the following conclusion: *the more we develop the multisector commodity economy operating in line with the market mechanism, the more the party leadership must be renovated and strengthened.* The leadership of the communist party is a factor ensuring the socialist orientation of the economy

and all other social activities. Without that leadership, socialism is impossible. In the conditions of our country, *only the Communist Party of Vietnam*—the party which was founded and trained by President Ho Chi Minh; which is the seasoned vanguard of the working class, the true representatives of the interests of the working class, laboring people and the whole nation and armed with Marxism-Leninism, Ho Chi Minh thought, and the fine traditions of the nation; and which has gathered in its ranks millions of outstanding sons and daughters who are attached to the people—is *the only force capable of leading the successful building of socialism and firmly defending the fatherland.*

Naturally, to be fully capable of and qualified for leading the revolution correctly and effectively, the party must constantly renovate and reorganize itself. *Constantly renovating and reorganizing itself is also a law governing the existence and development of the party.* As the sole ruling party which leads the law-governed state of the people, by the people, and for the people, and which operates in the conditions of the market economy and open-door policy and at a time when complex developments are taking place around the world and when there are both opportunities and challenges, the party should have an even deeper sense of self-renovation and self-reorganization and should ceaselessly improve its intellectual level and quality in all respects. Devoting oneself to building up the party and constantly consolidating and increasing the party's strength is a basic guarantee determining a correct path for the nation.

As I see it, the basic direction of party renovation and reorganization at present must still be the following: Develop the party's glorious traditions and enhance its working-class nature and vanguard character; build up the party to make it really stable and strong politically, ideologically, qualitatively, and organizationally; renovate the party's leadership method; and strengthen the relations between the party and the people, thereby ensuring that the party will be able to fulfill its responsibility as the vanguard that leads the revolutionary cause of Vietnam in the new stage.

Footnote

1. At present, the differentiation between the rich and the poor, the pursuit of profit only, the loss of enthusiasm for the party...are occurring not only in society but also within the party itself. About 10 percent of the total party membership have become richer, while 5-10 percent remain poor and hungry. Tens of thousands of cadres and civil servants work for state agencies while forming joint ventures with foreign

private individuals. Not a few party members have become degraded because of the lure of money.

SRV: Party Journal Reports on Anniversary Conference

*96JED015E Hanoi TAP CHI CONG SAN
in Vietnamese No. 2, Jan 96 p 61*

[A Report on Party Journal 65th Anniversary Conference for Southern Provinces' Representatives]

[FBIS Translated Text] On the occasion of the 65th anniversary of the party's theoretical and political journal (1930-1995), on 23 December 1995, in Ho Chi Minh City, the editorial staff of TAP CHI CONG SAN held a get-together of its representatives and contributors in the Southern provinces. The gathering took place in an intimate and open atmosphere.

In attendance were Comrade Tran Trong Tan, member of the party Central Committee and deputy secretary of Ho Chi Minh City's Party Committee, and numerous veteran and close contributors of TAP CHI CONG SAN such as Professor Tran Van Giau; Comrades Tran Bach Dang, Duong Dinh Thao, Phan Hien, To Lam, To Quyen, Tran Quang Le, Vu Ngoc Nhung.... Also on hand were many representatives of various departments, sectors, research and theoretical organs and newspapers of the central level stationed in Ho Chi Minh City; and representatives of various departments, sectors, and the press of Ho Chi Minh City and some Southern provinces.

Comrade Nguyen Van Linh, adviser to the party Central Committee, who was unable to attend for unexpected reason, sent his statement to the journal's editorial staff.

Opening the meeting, Comrade Nguyen Phu Trong, member of the party Central Committee, editor in chief of TAP CHI CONG SAN, read a general report on the various glorious stages of development of the journal, which were closely linked with the process of propagating and teaching Marxist-Leninist theory and propagandizing the party's lines and policies through various periods of the revolution in our country. Comrade Nguyen Phu Trong clearly brought up the journal's contributions as well as its remaining limitations during the recent years of renovation. He also pointed out the directions in which TAP CHI CONG SAN must do it utmost in the days ahead to meet step by step and more satisfactorily the pressing demands of life.

Comrade Nguyen Tien Hai, deputy editor in chief of TAP CHI CONG SAN, read Comrade Nguyen Van Linh's statement (full text published in this issue). Speaking at the meeting, Comrade Tran Trong Tan suggested some issues concerning the content of research

on editorial work, operating procedures, and renovation of the form of the TAP CHI CONG SAN with the aim of enabling the journal to come into increasingly closer contact with reality, to penetrate more deeply into life, and to be more irresistibly attractive to the reader.

Many contributors exchanged views in an extremely open-minded and candid manner, affirmed the journal's important contributions to the common theoretical accomplishments of the party, and, at the same time, further shed light on the journal's limitations and inadequacies in view of the increasingly exacting demands of its readership and the theoretical and political life. Prof. Tran Van Giau expressed his hopes that, as the party's ideological and theoretical banner, the journal would help strongly assert the theoretical values of Marxism-Leninism and Ho Chi Minh thought and point out the limitations of some specific theses—limitations resulting from historical conditions—in order to actively dispel the masses' worries and effectively counter enemy slanders.

Comrades Tran Bach Dang, Tran Dinh But, Vu Ngoc Nhung, and many other comrades welcomed and encouraged the journal's changes both in form and content. They were particularly delighted at the journal's new development: Once a monthly, now it is published twice a month, but its quality is ensured and the the journal itself is becoming more attached to life. Several comrades suggested issues that the journal should deal with, especially in the period leading to the Eighth National Party Congress. Among the questions suggested were:

- The path to socialism in our country is being defined increasingly clearly, but what are the concrete political, economic, cultural, social, and other models for this path?
- The specific objectives of renovation and the issues raised during the 10 years of renovation; development of the multisector commodity economy operating in line with the market mechanism, under the management of the state, and according to the socialism orientation; market economy and social ethics; national cultural characteristics, and so forth.
- Issues concerning renovation of the economic management mechanism.
- Issues concerning the working class; the party's working-class nature; the leadership role of the party and party members in the current conditions....

In a word, there is at present a great many pressing problems calling for the party's theoretical journal to

lead the efforts to research into, discover, and define issues, and to determine the direction to follow in resolving them, thereby directly and practically contributing to firmly and steadily advancing the renovation undertaking of our party and people.

On behalf of the editorial staff of TAP CHI CONG SAN, Comrade Nguyen Phu Trong sincerely thanked the contributors and representatives. At the same time, he expressed his hopes that the journal would continue receiving closer and more effective cooperation and assistance from the contributors and various party committee echelons, agencies, sectors, localities, and establishments.

SRV: Party Journal on Country's Achievements, New Tasks

963E0015B Hanoi TAP CHI CONG SAN
in Vietnamese No. 2, Jan 96 pp 3-6

[Editorial: The Baggage of Our Nation at the Threshold of the Year 1996]

[FBIS Translated Text] Our country and people are entering 1996, the year in which the eighth national party congress is held and which sets into motion the 1996-2000 five-year socioeconomic development plan. The socioeconomic achievements in 1996 will certainly take on an extremely important significance since they will enable us to overfulfill the socioeconomic targets until the year 2000, thereby creating the essential prerequisites for our nation to enter the 21st century.

In 1996 we must create new favorable conditions; exploit all resources for development; promote fast, steady, and effective economic growth; and prepare the position and force for the subsequent period of development. On the other hand, we must quickly overcome the obstructive and restraining factors as well as the remaining weaknesses and deficiencies to continue stabilizing the socioeconomic situation. To this end, in 1996 we must at least achieve a number of basic targets set by various party and National Assembly resolutions as follows:

- Firmly maintain economic stability and retain the pace of economic development. The gross domestic product must increase by 9-10 percent; the value of agricultural output, by 4.5-4.8 percent; the value of industrial output, by 13.5-14.5 percent; and the value of various service industries, by 12-13 percent.
- Continue to curb and control inflation; eliminate the dangers of recurrent severe inflation; and keep consumer goods and service indexes at a lower level than that of 1994-1995. Reform the tax system, increase revenue for the budget; restore budget balance in conjunction with

establishing mechanisms and policies to satisfactorily mobilize the national financial sources. Reform the banking, financial, and monetary systems; step up the activities of the specialized bank system, effectively mobilize capital and grant loans to meet the demand of economic growth; establish a capital market to expand our capability to carry out economic activities at home and abroad.

- Strongly implement social and human resource development programs; resolve pressing problems concerning education, training, culture and art, public health care, demographic work, family planning, employment... to meet the basic requirements of stabilizing and gradually improving the people's standard of living. Carry out aid programs in support of remote and deep areas still beset with many difficulties; reduce the number of impoverished and hungry households; show concern for the poor, people of low income, people in particularly difficult circumstances, the ethnic minorities, people living in mountain regions or on offshore islands....

- Firmly defend the motherland's independence, sovereignty, territorial integrity, and security; firmly maintain political stability and public order to promote economic development and ensure national defense and security in all circumstances.

To achieve the aforementioned targets, we cannot rely on our resolve, wishes, and subjective will only, but we must also adopt concrete measures and ways of doing things, create material and spiritual prerequisites and conditions, and recognize all the advantages and opportunities, difficulties and challenges.

Upon entering 1966, we enjoy great advantages and opportunities, benefiting from the the diverse achievements of the renovation process over the past years which offer us a decisive opportunity for national development.

Regarding economy: Our national economy has undergone many changes and has become more dynamic and diversified. The economic standard has improved; production and business activities have developed; stagnation and recession have been overcome; and a fairly high, steady, and relatively comprehensive growth rate has been achieved.

In the field of production and business: The economic structure has undergone initial, correct changes, thereby creating proper conditions for promoting industrialization and modernization in the coming years. Many models of combined agricultural-forestry production such as VAC [truck farming, pisciculture, and animal husbandry], VACR [truck farming, pisciculture, animal husbandry, and forestry], processing industry, service industry, production farm development, coopera-

tion in import-export business, transfer of technology... between state-operated economic organizations, households..., are expanding and playing an important role in promoting production and technical innovations, and in enhancing the economic efficiency of various production sectors. Many localities have paid attention to making investment with the aim of promoting the process of structural transformation in the rural areas along the line of encouraging goods production, developing crafts and services... The material and technical base of the economy has been further strengthened, and the production capacity of some main and key sectors has increased fairly substantially. For this reason, many norms of socioeconomic development have been fulfilled or overfulfilled over the past five years.

The agricultural and forestry sector has developed fairly well. Grain production has steadily increased by over 1 million tons annually, boosting the average per capita grain output to 369 kg per year. The problem of grain supply for all society has been basically resolved, and some grain has been set aside for export. A total of 730,000 hectares of forest and more than 2 billion scattered trees have been planted; 3 million hectares of forest, including about 2.5 million hectares of flood-prevention and special-purpose forest have been zoned off for protection. About 4.5 million cubic meters of timber have been felled over the past 5 years. Forest canopies have gradually expanded.

Production has increased substantially in all key industries. In 1995 the value of production of the fuel industry (including oil and gas) increased 3.2 times over 1990, accounting for 18.8 percent the entire industrial sector's output. Similarly, the value of the power industry's production increased 1.6 times, accounting for 6.3 percent of all the industrial sector's output; the food processing industry increased 1.9 times, accounting for 31 percent; and the construction materials industry increased 2.7 times, accounting for 10.2 percent.

Capital investment has amounted to more than \$18 billion (according to the 1995 price level), with 43 percent of which coming from the state, 27 percent from foreign direct investment, and 30 percent from the people.

The trade and goods exchange service sector has developed vigorously, creating a unified market, allowing for free circulation of goods nationwide, and encouraging large numbers of proprietors to participate in business activities. The state-run trade sector has accounted for a large proportion of the wholesale market. The total amount of goods sold retail has averaged 25 percent per year, with locally produced commodities accounting for 65 percent of the goods circulated in the market.

The value of imports, including the products imported by various foreign-invested businesses, has totaled about \$20 billion. These imports consisted mainly of equipment, spare parts, and raw and processed materials for production. At the same time, local producers have turned out a number of items capable of substituting for imports, in particular imported consumer goods.

The transportation service industry has expanded rapidly. On average the transportation of goods has increased 8.8 percent annually in terms of tonnage and 10.1 percent in terms of ton/kilometer. The transportation of passengers has increased 11.5 percent in terms of passenger and 8.5 percent in terms of passenger/kilometer. The transportation forces of all economic sectors have been mobilized to meet the demand of production and the people's need to travel.

In the financial, pricing, and monetary field, significant progress has been made. The most outstanding achievement has been our success first in blocking inflation, which was severe at times, and then in gradually rolling back and controlling inflation at a time when we still have to cope with many serious difficulties. A new tax system has been established to replace the old one. A two-tiered banking system has taken shape and has begun to operate satisfactorily. To achieve the objective of development, credit has been expanded, meeting more satisfactorily the demand for capital of various economic sectors not only in the municipalities, cities, and towns, but also in the rural areas.

Regarding social welfare, the working people's standard of living has been stabilized and gradually improved; positive changes have been reported in several aspects of society. In particular, the labor, war invalids and social welfare sector, together with the various localities, have done a good job of organizing implementation of the Regulation on People Who Have Rendered Meritorious Services to the Fatherland and the Regulation on Heroic Vietnamese Mothers. They have provided financial support for the upgrading of war-dead cemeteries and gathering war-dead graves, have sent seriously handicapped war invalids to families for recuperation.... These activities have contributed to ensuring satisfactory implementation of Army welfare work and enabling military cadres and combatants on active duty to carry out their tasks with confidence.

The "thanks-rendering," "hunger-elimination, poverty-reduction," and "aid-to-poor-but-outstanding-students" movements... and other charity activities are becoming a fine feature of our society.

The problem of jobs for workers have received greater attention from the state. In 1995 alone, employment was provided for about 1.3 million laborers, a fact that

has helped enhance the effectiveness of the efforts to eliminate hunger, reduce poverty, and combat social evils.

The cultural sector has concentrated on stepping up its activities at the grassroots, gradually socializing its work, mobilizing the participation of many forces, and creating broad mass movements to meet the people's healthy needs in daily life. Many valuable legacies of the national culture have been preserved, renovated, and developed. The education and training sector has carried out the anti-illiteracy program in a relatively effective manner. Education in the mountain areas has received significant attention; the system of boarding schools for ethnic-minority students has been strengthened and expanded. The system of specialized schools and classes in the urban and rural areas has developed. Attention has also been given to the system of vocational schools in many forms: job-training schools operated by state-run businesses and the private sector, work-study schools.... The quality of education and training has begun to stabilize; in some areas, it has improved. The public health service has satisfactorily performed the task of providing initial health care and disease prevention and control. The plans for the vaccination of children have been fulfilled or overfulfilled. People in the mountain provinces have been provided with iodized salt to prevent and treat goiter. Leprosy, malaria, tuberculosis... are being overcome step by step.

Regarding national defense and security, the national defense and security forces have been further consolidated. They have begun to be modernized and standardized and have gained fresh experience in defending national independence and sovereignty and maintaining public order and security.

Regarding foreign relations, our country has extricated itself from an encircled, isolated position and has established relations of cooperation at different levels with almost all other countries. International political and economic centers and financial and monetary organizations have created more opportunities for us to bring into play our comparatively advantageous position. Our capability to attract ODA [official development assistance] and FDI [foreign direct investment] capital has increased, and the import-export market will be further expanded. It can be said that, as far as foreign relations are concerned, our country has entered a new period of unprecedented expansion, creating many new advantages. This is a result of the implementation of our party's "independent, sovereign," and "diversified and multilateralized" foreign policy.

Aside from the aforementioned advantages and opportunities, upon entering the year 1996 we must cope with very great difficulties and challenges. To date, the four dangers pointed out by the mid-term Seventh National Party Congress of Delegates are still relevant, in particular the danger of further lagging behind economically. Finance and money remain the two burning issues; the debts that the budget had incurred by borrowing money to meet expenditures in the past years remain fairly heavy. Although out of economic crisis, our country is still poor. Meanwhile, wasteful practices have become very rampant, affecting national development. Macroeconomic management is still beset by confusion and has failed to meet requirements. Many pressing social problems remain unresolved. Education in deep, remote, and mountain areas is still being faced with numerous difficulties. The medical examination and treatment system has degenerated in both material base and service. The proportion of poor people, households, and villages is still large; there has been abnormal differentiation between the rich and the poor. Corruption, illegal business practices, and social evils are still widespread. Hostile forces at home and abroad are still feverishly colluding with each other to oppose and sabotage us in many fields; they have not stopped at any insidious tricks and schemes to obstruct our national advance. They have combined political with economic sabotage, carried out the "peaceful evolution" scheme, combined trouble-making, rebellion-provoking, and subversive activities with deterrence and enticement... in an attempt to overthrow our regime or force us to change our colors and deviate from the socialist path.

Thus, in the baggage we carry into the year 1996, there are no few difficulties and challenges. However, the advantages and opportunities are still basic conditions deciding the voyage of our nation. These advantages and opportunities have created the essential prerequisites and material bases for socioeconomic building. The important thing is that we have drawn useful lessons and have further fortified our confidence in order to continue marching on the road ahead. These lessons have shown that the renovation undertaking initiated and led by our party is correct and continuing to achieve success. Our party always works in the interest of our people and nation. Whenever it develops shortcomings or makes mistakes, the party always dares to look squarely at the truth, rectifies mistakes, actively seeks appropriate solutions, and correctly and creatively applies Marxism-Leninism and Ho Chi Minh thought. Our party and nation hold firm to the objectives of national independence and socialism in the renovation process, a process that is in line with the common trend of our time. Our party always devotes itself to building the bloc of great national unity and mobilizing all potentialities and strengths of

the country. It advocates broad and open relations with the world, strives for the understanding and support of the world's people, and combines national strength with that of our time.

Those are powerful sources of strength capable of helping us to step firmly into the year 1996, outstandingly fulfill the set socioeconomic tasks, create a momentum for development in subsequent years, and continue to advance our people's renovation undertaking to even greater successes.

SRV: Solar Power Station Built in Con Co Island

*BK2105130396 Hanoi Voice of Vietnam in English
1000 GMT 21 May 96*

[FBIS Transcribed Text] By the end of the month, a solar power station will bring electricity to Con Co island. Con Co, which is called Hero Island, was a scene of hard fighting during the war. The station will supply power for liaison activities between the island and the mainland to maintain a surgical station on the land and to light up the life of soldiers stationed there.

Australia

Australia: Suharto Explains East Timor Stand to Newsmen

BK2205050796 Sydney THE SYDNEY MORNING
HERALD in English 22 May 96

[Article by Louise Williams, Herald correspondent in Jakarta]

[FBIS Transcribed Text] In an unprecedented meeting with senior Australian editors, Indonesia's President Suharto took a hard line on East Timor and ruled out a visit to Australia in the near future.

Mr. Suharto, who rarely talks directly to the media, talked for more than an hour yesterday with visiting senior editors. That he agreed to the meeting was seen in Jakarta as particularly significant, given the bans and restrictions imposed on Australian journalists by the Indonesian Government over the past 10 years over critical reporting.

The Australian editors, in Jakarta for a two-day conference on Australian and Indonesian media values, asked Mr Soeharto about any possible change in the status of East Timor, such as the granting of limited autonomy.

He said East Timor already enjoyed autonomy within the principle of the unitary State of Indonesia and there would be no change.

When asked about a possible visit to Australia in response to recent invitations by the Howard Government, Mr Suharto said his personal view was that he should visit Australia.

But "actions could be taken which would lead to misunderstandings" during his trip, referring to the possibility of anti-Indonesian protests, particularly by pro-independence East Timorese groups.

He told the editors that although he fully understood the Australian system it was a different case for the Indonesian people who could be offended by such actions.

He said a visit could work against the bilateral relationship and "for the meantime" he would not be visiting Australia.

Asked if he would seek another term as President in 1998, the region's longest-serving leader of 30 years, said he had never been opposed to the idea of an

alternative presidential candidate from the judiciary, the executive branch of government or a prominent leader of a social group. But he would not be drawn on his specific plans.

Mr. Suharto said the role of the media in Indonesia was one of "protecting the nation". The media was "free at the moment", but was required to put the national good ahead of the interests of individuals or interest groups.

Mr. Suharto was speaking to 14 of Australia's most senior newspaper and television editors, including the editor of The Sydney Morning Herald, Mr. John Lyons.

In 1986 a Herald report on the business interests of Mr. Suharto's family prompted a ban on Australian journalists. This was gradually lifted to reopen Indonesia to some media groups in the early 1990s, but was not fully overturned until this year when the Herald bureau reopened in Jakarta.

New Zealand

New Zealand: Agriculture Minister Meets With PRC Counterpart

BK2105142496 (Internet) New Zealand Parliamentary
WWW in English 20 May 96

[Press release issued by New Zealand Agriculture Minister Lockwood Smith on 20 May; place not given]

[FBIS Transcribed Text] Agriculture Minister Lockwood Smith met today with his counterpart from the People's Republic of China, Liu Jiang.

"China is New Zealand's most important market for wool, taking 25% of our wool exports by value in 1995," Dr Smith said. "Eighty percent of New Zealand's total exports to China in 1995 were agricultural goods."

During the meeting, Dr Smith requested that China reconsider its ban on fruit imports from the North Island following the recent fruitfly incident and offered to arrange for Chinese officials to be shown the measures being taken in Auckland.

"I explained that the situation is now under control and that China's restrictions exceed those of other countries," he said.

Dr Smith also told Mr Liu that New Zealand would appreciate improved access arrangements for raw wool, dairy products, meat, apples and kiwifruit.

Following the meeting, Dr Smith and Mr Liu signed four documents:

— A Memorandum of Understanding between the two Ministries of Agriculture on the exportation of animals and animal genetic material from New Zealand to China

— Quarantine and health requirements for horses exported from New Zealand to China

— Quarantine and health requirements for ovine (sheep) semen exported from New Zealand to China

— Quarantine and health requirements for caprine (goat) semen exported from New Zealand to China

"The four arrangements are a major step forward and will make it significantly easier for New Zealand to export animals and animal genetic material to China," Dr Smith said.

It is hoped that further documents such as these, covering other animals and animal and plant products can be negotiated with China.

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